

The complaint

Mr M complains that when he tried to carry out a purchase online, Bank of Scotland plc trading as Halifax wouldn't authenticate his payment and then blocked his card.

What happened

In September 2023, Mr M tried to carry out a purchase online. He was given a four digit code to enter, but this was rejected. He tried again and was given a further code but this was again rejected. He called Halifax on the number he was given and spoke to a customer adviser who put him through to an adviser in the fraud department. The second adviser told him that his card was blocked but offered to unblock it, but to do this he had to answer some security questions. Mr M couldn't answer the security questions satisfactorily and he was told he would have to go into the branch with photo ID to get his card unblocked. I understand that he was able to get his card unblocked by subsequently visiting his branch.

Mr M made a complaint to Halifax. It said that its first adviser could have dealt with him in a more empathetic manner. For this it agreed to pay him £30 compensation. But it said that it had been unable to verify him when he tried to make the payment as the security codes had been entered incorrectly. It had to block his account and he was required to be put through to the fraud team to ensure that the payment wasn't fraudulent. It said that it had checked its system and there were no faults on it. Unfortunately because Mr M failed to answer the security questions, its adviser was unable to unblock his card.

Mr M denied that he had put in the codes incorrectly. He was adamant that he had carefully checked the codes before entering them. He felt that Halifax's system was wrong and that he should be paid compensation if it had made an error. He also felt that some of the security questions were inappropriate. He was also upset that he had been treated as a fraudster and that Halifax had blocked his card without telling him.

On referral to the Financial Ombudsman Service, our Investigator agreed that the original call handler should have dealt with the situation more empathetically, so Halifax's response to this of £30 compensation was fair. But she couldn't say there were any further errors by Halifax here, so she was not asking it to take further action.

Mr M disagreed and the matter has been passed to me for an Ombudsman's consideration.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

First of all I empathise with Mr M. It must have been very frustrating for him. Unfortunately with the increasing number of scams and fraudulent transactions, banks are required these days to put in additional security. This does mean that genuine customers trying to carry out genuine transactions have to go through various security procedures.

I can't say for sure what happened in Mr M's case. What I can say is from reviewing Halifax's notes, it checked its IT system and said there was no fault in the recognising of security codes. So it said that Mr M must have been in error in inputting the codes, and while I recognise that he denies having made any such error, it appears that the system generated an error code which meant that his card was blocked and he had to be referred to the fraud department. I have to trust that if there was any general error in Halifax's system meaning that it was consistently generating an error, it would be dealing with that. I know that is unsatisfactory for Mr M but if Halifax checked its IT system and found it had no error, I can't reasonably ask it to take any further action.

With regard to the call Mr M made to the first customer adviser, I recognise that there was a lack of empathy with his problem, for which Halifax has paid compensation of £30. I think that was fair. Though the adviser would have seen the error code on his screen which required a referral to the fraud department, which he did promptly.

As regards the call with the second adviser, I think Mr M was dealt with appropriately. Though I appreciate that he was upset to find that his card had been blocked, without telling him. Again that is part of the security procedure ie if the error code has shown a possible fraudulent transaction then there was a possibility that Mr M's phone number had also been compromised.

With regard to the security questions, I notice that Mr M feels that some of them were inappropriate, but Halifax will have designed these so that it could be sure that it was speaking to the customer. Asking questions which are all about the customer's personal information may not have been appropriate. I've noted that the adviser asked Mr M four different alternative questions, two of which he refused to answer. As I've said, whilst Mr M is a perfectly genuine customer, Halifax's staff are required to go through the relevant security procedure. And if the adviser felt that the procedure had not been complied with, he would have been required to refer Mr M to the next stage, which was to ask him to go into the branch.

So overall whilst I do think Mr M could have been treated more sympathetically when he first called Halifax, I'm not persuaded that there was any error in its system. And whilst I accept that Mr M may have felt he hadn't made any error himself, I can't criticise Halifax for following its security procedures. So I can't ask it to take any further action.

My final decision

As I think that Bank of Scotland plc trading as Halifax dealt with Mr M's complaint appropriately, I won't ask it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 March 2024.

Ray Lawley
Ombudsman