

## **The complaint**

Mr M complains that Bank of Scotland plc blocked his credit card and then didn't provide the service it should have while he tried to resolve the issue.

## **What happened**

Mr M was on holiday abroad in 2023, and when he tried to make a payment, the hotel made a mistake and immediately reversed the payment. The hotel then tried to take the payment again, but Mr M's card was blocked. Mr M says he had no other means of making payment and the hotel wouldn't accept a bank transfer or payment through an online portal. Mr M contacted the Bank of Scotland, and he was told he had blocked the PIN which he didn't agree with, and he was told to go to another terminal on the island to unblock his PIN. Mr M says he tried this at over 30 other terminals, but the card remained blocked. Mr M says that Bank of Scotland took over 24 hours to respond to live chats and didn't offer any other way to unblock his card or any access to emergency cash. He says he lost six days out of a two-week holiday (costing around £7,000) trying to resolve this issue and eventually he had to have a family member fly to his holiday location to pay the bill, costing £900 in travel costs.

Bank of Scotland issued a final response letter dated 26 July 2023. It said that having reviewed Mr M's mobile messaging interactions the information he was provided with was correct, but it did accept that he had to wait for some replies for longer than it would hope and that some information provided to him wasn't relevant. It apologised for this and sent him a cheque for £40 compensation. Regarding Mr M's PIN being blocked it said its systems showed this happened due to incorrect PIN entries. It said it was unable to remove the PIN block through mobile messaging or over the phone. It noted Mr M's request for it to raise this with Mastercard but said it wasn't aware of any outages with Mastercard at the time and that as the card is held with Bank of Scotland it wouldn't raise this issue with Mastercard. It said that the costs Mr M incurred weren't due to any failure by the bank. Bank of Scotland then sent Mr M a letter dated 8 August reconfirming its outcome in the 26 July letter.

Mr M wasn't satisfied with Bank of Scotland's response and referred his complaint to this service.

Our investigator said that Mr M had been provided with incorrect information over the live chat and because of this he recommended that Bank of Scotland pay Mr M a further £110 (bringing total compensation to £150). He didn't think that Bank of Scotland had done anything wrong by not unblocking Mr M's PIN while he was abroad.

Mr M didn't agree with our investigator's view. He didn't accept the reason for the PIN being blocked noting that it had been accepted seconds before for a transaction in the wrong currency following which the re-attempted transaction was blocked. He didn't accept that £150 compensated him for the time he wasn't able to enjoy his holiday and the other costs he incurred.

## ***My provisional conclusions***

I issued a provisional decision on this complaint, the content of which is set out below.

*I can understand how upsetting this experience must have been for Mr M and I can see from the online chats that he was very distressed at the time and was concerned about what would happen to him and his child if he couldn't make the required payment. But in reaching a fair outcome I have to consider what I can hold Bank of Scotland responsible for both regarding the underlying issue with the card's PIN being blocked and the service provided.*

*I have looked at the transaction information provided by Bank of Scotland, and I can see that Mr M made a transaction on 30 June 2023 which was then reversed. The transaction data for this shows that he entered a valid PIN. However, when the transaction was attempted again, around three minutes later the data shows an invalid PIN being entered. The additional data states that the number of allowable PIN tries had been exceeded. This does appear to be an unusual situation given the timing of the transactions as Mr M had entered a correct PIN just minutes earlier but, on balance, while I cannot say for certain what went wrong, as the transaction data shows there to be an issue with the PIN I find it more likely than not that this was the issue. Because of this I do not find I can say that the reason for the card being blocked was due to a mistake made by Bank of Scotland.*

*I have considered the service Mr M received when he was trying to resolve this issue. Based on the information provided, the transaction was attempted on 30 June and Mr M contacted the online chat on 2 July. At this time he is told that his card has been blocked due to him exceeding the valid number of PIN tries. While I know Mr M doesn't accept this as the reason, based on the evidence available this was the cause of the issue. Therefore, I cannot say he was provided with incorrect advice in respect to this.*

*On the online chat Mr M is asked if there is a cash machine that he can use to unblock the PIN. There is then a break of a few hours and Mr M responds to say that there is an ATM but it doesn't allow him to unblock the card. He states his location and that he can't withdraw cash or pay his hotel bill by card which he needs to do within the next 24 hours. I can see there was a delay in a response being given and it is clear the distress this issue is causing Mr M. It is explained that the adviser can't unblock the PIN for Mr M and he needs to do this at an ATM and he is asked if he has an alternative means of payment. Mr M explains he doesn't have an alternative means of payment and that he has tried all the machines on the island and he can't unblock the PIN. He is then provided with the same information again.*

*Having looked through the information provided to Mr M I can see there were delays and it doesn't appear that Mr M was given information about withdrawing cash (although I note he says he wasn't able to do this). Mr M was clearly in a vulnerable situation, and I cannot see that this was taken into account in the dealings with him. Therefore, I do not find I can say Mr M was provided with the service he should have been.*

*When assessing the amount of compensation that is reasonable in this case, I have considered that I cannot say the PIN being blocked was a mistake by Bank of Scotland. I also note that it wasn't the fault of Bank of Scotland that the hotel wasn't able to take an alternative means of payment, or that the location Mr M was in didn't have ATMs with the facility to unblock his PIN or that Mr M didn't have an alternative payment option. That said, Mr M explained where he was and his circumstances and I cannot see that Bank of Scotland took this into account. This meant that Mr M travelled around the island trying several ATMs but finding they didn't have the service to unblock his PIN. Also, as stated above Mr M's vulnerable situation wasn't taken into consideration.*

*Bank of Scotland paid Mr M £40 compensation and our investigator thought this should be increased by a further £110. Noting the upset caused and that the service provided didn't support Mr M as it should have, I think in this case total compensation of £250 is reasonable.*

*I note that Mr M has said he needed to fly out a family member to pay the bill but as I cannot say for certain that the underlying issue was the result of a mistake by Bank of Scotland, I do not find I can require Bank of Scotland to refund any costs associated with this.*

*I understand that Mr M is unlikely to think the compensation I am recommending is enough given the upset and the stress he was caused while on holiday. But taking all of the evidence into account I think this is a fair resolution.*

Bank of Scotland accepted my provisional decision. Mr M didn't.

Mr M said that the additional costs he incurred travelling around the island to find an ATM weren't covered and he reiterated that there was no evidence the PIN had been entered incorrectly. He said that even if the PIN had been entered incorrectly then Bank of Scotland should be liable for the time from when he made contact to the point when he was provided with the correct information. He said this took several days and based on his holiday costs the compensation should be paid at £500 a day.

### **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.

I make my decision based on the unique circumstances of the complaint. Where the evidence is incomplete, inconclusive, or contradictory I make my decision based on the balance of probabilities. That is, what I consider most likely to have happened based on the information provided and the wider circumstances.

Mr M didn't consider that the compensation set out in my provisional decision was sufficient to reflect the upset and costs he was caused when his PIN was blocked while on holiday. I have considered his comments and looked through his case in light of these, but having done so, my conclusions haven't changed, and I find that total compensation of £250 for the issues with the service Mr M received provide a reasonable resolution to this complaint. I have set out below my reasons for this.

The underlying issue in this case was that Mr M's PIN was blocked when he tried to make a payment to a hotel. As I set out in my provisional decision, I have looked at the transaction data which shows Mr M entering a correct PIN for a transaction that was reversed and then an invalid PIN being entered. I accept that this is an usual situation but based on the evidence I have seen, while I cannot say for certain what went wrong, as the transaction data shows there to be an issue with the PIN I find it more likely than not that this was the issue. Because of this I do not find I can say that the reason for the card being blocked was due to a mistake made by Bank of Scotland.

I have then considered the service Mr M received when he raised the issue with Bank of Scotland. In my provisional decision I noted the contact Mr M had on 2 July but not that he first made contact on 1 July. On 1 July Mr M explained on the online chat that he had attempted transactions but these had been blocked. Mr M is initially told to contact the merchant, but it is then explained that he had exceeded the valid number of PIN tries and so the PIN had been blocked. Mr M was told to visit an ATM to unlock the PIN. Mr M disputed that he had put in the incorrect PIN but as the transaction data showed this being the issue, I do not find I can say the information provided at that time was incorrect. Mr M was told how to unlock the PIN and while I note he had said he was abroad at the time, I do not find it unreasonable that the adviser initially provided the standard information in regard to unblocking the PIN.

Mr M then contacted the online chat on 2 July and said again that he hadn't entered the incorrect PIN. But it is confirmed that this is the reason shown for the PIN being blocked. Mr M is asked if there is a cash machine with a visa logo that he can use to unblock the PIN. I cannot see that Mr M then responded to this until the following day (3 July).

On 3 July, Mr M said that the ATM didn't allow him to unblock his PIN. He provided further details about where he was staying, and he explained that he hadn't been able to unblock his PIN at any of the island's ATMs. While I cannot see that Mr M was told through the online chat that he might be able to withdraw cash he said that he wasn't able to do this either. Mr M is clearly distressed by his situation and said the hotel won't let him leave and that the police might be called. I think that at this point, Mr M should have been considered as a vulnerable customer and I cannot see that Bank of Scotland took this into account. Instead there was a delay of over an hour before the online adviser responded reiterating the reason for the PIN block and saying that not all international ATMs offer the unblocking service and that they couldn't unblock this for Mr M. Mr M is asked if he has an alternative means of payment.

Mr M responded to the question about an alternative means of payment a few hours later (on 4 July) when he reiterates his situation and that he is at risk of being charged by the police. He says he will need to fly someone to his location to pay the bill. In response to this Mr M is provided with the same information about unblocking his PIN. I do not find this was helpful and didn't take into account Mr M's circumstances or vulnerability.

Taking all of the above into account, while I find that the online advisers provided Mr M with the information available to them about the reason for the PIN being blocked and the action that needed to be taken to unblock the PIN, I do not find that they took into account Mr M's comment that the ATMs in his location didn't provide the service of unblocking the PIN, or his vulnerability given he had no other means of payment. Therefore, I do not find it provided him with the service it should have, and I think he should be compensated for this.

Mr M has said that he should be compensated for the days he spent trying to resolve this issue. I have considered this, but in this case, I find that compensation is required to reflect the distress and inconvenience Mr M was caused by not receiving the service he should have and his vulnerable situation not being taken into account.

When assessing the amount of compensation, I have taken into account that I cannot say the underlying issue was the result of a mistake by Bank of Scotland. I have also considered that when Mr M first made contact I do not find it unreasonable that he was told about how to unblock a PIN using an ATM and that I cannot hold Bank of Scotland responsible for Mr M not having an alternative means of payment or for the hotel not accepting payment by another method. Therefore, compensation is needed to reflect the delays in responses and the lack of consideration of the unique circumstances given Mr M's location and his vulnerable situation. Given this, on balance, I find that the compensation I set out in my provisional decision of £250 (which includes the initial £40 compensation that has already been paid) is a reasonable resolution to this complaint.

### **Putting things right**

Bank of Scotland plc should pay Mr M a total of £250 (which includes the £40 already paid) for the distress and inconvenience he was caused while trying to unblock the PIN on his card.

### **My final decision**

My final decision is that Bank of Scotland plc should take the action set out above in

resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 May 2024.

Jane Archer  
**Ombudsman**