

The complaint

Miss S complains that a transaction on her account with Lendable Ltd trading as Zable was pending for 10 days before it was cancelled. She's also unhappy that the cash withdrawal facility on her account was suspended.

What happened

Miss S held a credit card account with Lendable. On 3 February 2024 Miss S entered a transaction with a merchant for £20. Miss S says the payment was released by the merchant the following day, but it remained showing as pending on the account.

Miss S contacted Lendable on 13 February 2024 to query why the transaction hadn't been cancelled. She was informed that the transaction was on a 30 day hold, after which it would cancel down.

Lendable sent an email to Miss S on 6 March 2024 confirming that the transaction had been cancelled down and the £20 returned to her balance.

Miss S contacted Lendable again on 26 March 2024 because she was unhappy that the cash withdrawal facility on her card had been suspended. She was advised that she could request that the suspension be unblocked. Miss S made this request on 3 April 2024 and an agent confirmed that the ATM block had been lifted.

Miss S raised a complaint with Lendable. Lendable didn't uphold the complaint. In its final response dated 9 April 2024, Lendable said it could take up to 10 days for a pending transaction to clear and up to 30 days for a car rental or hotel room reservation such as the transaction Miss S had made. Lendable said that if a merchant fails to process the transaction within the timeframe the transaction would cancel down and return to the available balance. In relation to the cash withdrawal suspension, Lendable said it had noticed that Miss S frequently withdrew cash from the account and that as a responsible lender it had a duty to ensure she wasn't incurring additional fees unnecessarily and was required to implement a restriction. Lendable said the restriction hadn't prevented Miss S from using the card to make purchases in store or online.

Miss S remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said he didn't think Lendable had made an error in the way it handled the pending transaction. He also said he didn't think Lendable had acted unreasonably by restricting Miss S's cash withdrawals because it had a duty to make sure that customers weren't incurring additional fees unnecessarily.

Miss S didn't agree so I've been asked to review the complaint.

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 know that it will disappoint Miss S, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, its not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Pending transaction

I appreciate that it must've been frustrating for Miss S to have to wait so long for the pending transaction to be credited back to her account. In order to uphold this aspect of Miss S's complaint I would need to be satisfied that Lendable made an error. So I've reviewed what happened.

I can see that Miss S entered the transaction on 3 February 2024. Miss S thought the transaction would show as pending for 10 days which is why she contacted Lendable 10 days later to query why the transaction was still showing as pending.

Lendable has said that the merchant had neither cleared nor reversed the payment. It said that in these circumstances it was unable to speed things up, as it was up to the merchant to fully process the transaction.

Lendable has published some information on pending transactions in its FAQ's, which would've been available for Miss S to read. The information states that it usually takes up to 10 days for merchants to process a pending payment, but that car rentals and hotel reservations can have a hold period of 30 days. The information goes on to state that if the order has already been cancelled with the merchant, then the transaction will drop off and the amount will be added to the available balance.

Miss S's transaction related to a hotel reservation. So although the usual timeframe is 10 days, in the case of a hotel reservation it will be 30 days.

Looking at the advice given to Miss S by the agent when she contacted Lendable to query the pending transaction, I can't see that Lendable has made an error here. Further, I can see that the transaction was cancelled down and returned to the available balance on Miss S's account after the 30 days had expired.

I haven't seen any evidence that Lendable has made an error in the way it handled the pending transaction. I won't be asking it to do anything further about this aspect of the complaint.

Suspension of cash withdrawals

I've thought about whether it was unreasonable for Lendable to suspend Miss S's cash withdrawal facility.

I've had a look at Miss S's account, and I can see that she frequently made cash withdrawals. Lendable has explained that in circumstances where customers are making frequent cash withdrawals and incurring a 3% (or minimum £3) for each withdrawal, it has a duty to ensure that additional fees aren't being incurred unnecessarily. The terms and conditions of the account – which Miss S agreed to when she took out the card – allow Lendable to change or withdraw any benefits or services at any time.

With this in mind, I don't think Lendable has made an error or acted unreasonably by

restricting cash withdrawals. I can see that Miss S requested the cash withdrawal facility to be reinstated and Lendable arranged for this to happen, although it did point out to Miss S that it couldn't guarantee that the facility wouldn't be blocked again in the future if Miss S continued to make frequent cash withdrawals.

Taking all the available information into account, I don't think Lendable has made an error or treated Miss S unfairly by suspending the cash withdrawal facility. I think Lendable was acting as a responsible lender when it took this step. I won't be asking it to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 2 December 2024.

Emma Davy
Ombudsman