

The complaint

Mr H has complained Bank of Scotland plc, trading as Halifax, allowed a debit card payment to be processed when he had an operative block on his debit card, so this transaction was unauthorised.

What happened

Mr H had a block on the use of his Halifax debit card. In March 2024 he switched this off momentarily to buy items using an extended credit service (who I'll refer to as K). He was distressed to find a payment of £166.56 was collected in May by K whilst his block was operative. He blamed Halifax for this and said their system should mean that any subscription or similar payments were stopped when his debit card use was blocked.

Halifax disagreed and confirmed that Mr H had approved the payments K set up to collect. They did provide £170 to Mr H for the costs of his complaint and inconvenience.

Mr H remained unhappy and brought his complaint to the ombudsman service.

Our investigator confirmed to Mr H that Halifax were correct in what they'd done. She wasn't going to ask them to do anything further.

Mr H disagreed and argued this meant that it was not possible for the customer to cancel subscription services or similar. He's asked an ombudsman to consider his 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

There's no dispute Mr H bought items in March 2024. He still has and uses those items but despite agreeing to the terms of credit offered to him by K, believes he should have been able to block future payments.

This isn't the case. I believe it's clear that by signing up to the agreement with K in March 2024, Mr H was authorising that initial payment and the subsequent two payments due in accordance with K's terms and conditions. Halifax acted as I would expect in allowing the payment to be processed in May 2024.

Mr H has made some spurious claims about transactions with K being unregulated, so he believes he doesn't need to meet their further claims. This is also not the case. Mr H made a financial agreement and I believe should meet this.

I'm aware that Mr H has limited funds and I appreciate that he may have found it difficult to meet his commitments. However, the way Mr H has presented his complaint to his service, suggests he was deliberately trying to avoid the payment.

I appreciate Mr H's strength of feeling about what happened but, under the Payment Services Regulations 2017 I am satisfied he authorised the transaction when entering into the agreement with K. Even if Halifax hadn't made the payment, it's clear to me that K would have asked Mr H to meet this commitment.

This doesn't mean that it is impossible to cancel subscriptions or similar. Because cancelling a subscription means the service stops too, but in Mr H's case he already had the goods he purchased.

My final decision

For the reasons given, my final decision is not to uphold Mr H's complaint against Bank of Scotland plc, trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 January 2025.

Sandra Quinn
Ombudsman