

The complaint

Mrs F complains that a payment was authorised by Bank of Scotland plc trading as Halifax despite entering the wrong CVV number.

What happened

Mrs F has explained that in January 2024 she made an order via an online food delivery service. Mrs F has told us that when she went to authorise the payment she entered the wrong CVV number from the back of her Halifax bank card. Despite entering the wrong CVV code, the payment was authorised and transaction completed.

Mrs F went on to raise a complaint and Halifax issued a final response on 23 January 2024. Halifax explained that payments to the online food delivery service were generally approved under a Continuous Payment Authority (CPA) arrangement. Halifax said that payments made under CPA arrangements don't always require a CVV number to be approved. Halifax said the payment shouldn't have authorised after Mrs F entered the wrong CVV number. In addition, Halifax said it wanted to reassure Mrs F that it has processes in place to protect customer account and that a sort code and account number alone isn't enough for a third party to gain access.

An investigator at this service looked at Mrs F's complaint. Whilst the case was with us, Mrs F told us about other concerns she has relating to payments made to an online retailer and a direct debit. The investigator thought Halifax had dealt with Mrs F's complaint about the payment she made in January 2024 reasonably and agreed a fair settlement so didn't ask it to do anything else. The investigator added that the other issues Mrs F had raised didn't relate to her original complaint and would need to be dealt with as separate complaints. Mrs F asked to appeal the investigator's view so her complaint has been passed to me to make a decision.

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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I understand Mrs F has concerns about the way payments have been taken and credited to her account with Halifax over the course of several months. But in this decision, I'm only looking at the CVV number complaint Mrs F raised in January 2024 that Halifax responded to in its final response on 23 January 2024. I appreciate the issues Mrs F has raised all relate to payments made from and to her account, but I'm satisfied they're separate to the

original complaint she made. I'm not going to comment on those issues in this decision. If she hasn't done so already, Mrs F can raise separate complaints with Halifax about those problems and ultimately refer them to us if she wishes.

Halifax has confirmed that when a CVV number is requested to complete a transaction it should only be approved if the correct details are provided. So I can understand Mrs F's surprise and concern that when she entered the wrong CVV number the payment was still approved. Halifax has explained that payment Mrs F made was approved under the CPA arrangement with the online food delivery service. And Halifax says that payments made on that basis don't always require a CVV number to be approved. With that being said, Halifax has confirmed that if Mrs F was asked for her CVV number and input it incorrectly, the payment should've declined. Ultimately, it's not clear why the payment was authorised despite Mrs F entering the wrong CVV number. I appreciate that may feel like an unsatisfactory answer, but I'm satisfied Halifax has looked at the payment in question and provided what information it can.

I note Halifax's final response went on to attempt to reassure Mrs F that her account couldn't be accessed by someone who held her sort code and account number. I'm satisfied Halifax does have systems in place to protect customer accounts. I also thought Halifax made a reasonable point when it said Mrs F could use its mobile banking app to access her account and check whether payments she attempts are successful or not before attempting them again.

Halifax paid Mrs F £40 in recognition of the distress and inconvenience caused. From the information I've seen, whilst I understand why Mrs F complained, I'm satisfied Halifax quickly investigated and gave its assurances her account remains secure. As I haven't seen any evidence that the issues raised caused Mrs F a financial loss and I'm satisfied Halifax has already agreed a settlement that fairly reflects the level of distress and inconvenience caused, I'm not telling it to take any further action.

My final decision

My decision is that Bank of Scotland plc trading as Halifax has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 13 December 2024.

Marco Manente
Ombudsman