

The complaint

Mr F complains Lendable Ltd trading as Zable declined multiple transactions without justification. He's also unhappy with their customer service, and handling of his complaint.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

On 15 December 2023, Mr F contacted Zable by their online chat function and asked why they'd stopped him using his card that evening. He said they'd caused him to go into his overdraft – and he wanted redress as a result. This attempt was to a company I'll refer to as T – a travel company.

Zable replied on 19 December 2023, saying Mr F had blocked the card, and gave him the steps to follow to unblock it. But they'd still registered his complaint and would reply within eight weeks.

Mr F expressed concern about the customer service he received, asking why Zable restrict out of hours contact to lost and stolen only. He also asked why it took three days to reply to him – and how was this in line with Consumer Duty. Mr F also refutes that he blocked his card and says Zable have provided no evidence of this. In addition, he said the blocked transaction was later authorised. Mr F then had further issues with blocked transactions.

Zable issued their response to Mr F's complaint. In summary, they didn't agree they'd done anything wrong with the blocked transactions. They did though offer Mr F £25 compensation for an error in sending an automated email, £50 compensation because Mr F chased the complaint many times, and £25 as a gesture of goodwill for exceeding the eight-week period – a total of £100.

Unhappy with Zable's reply, Mr F asked us to look into things and summarised his concerns as follows:

- *T (travel company) – Mr F says Zable told them he'd put the block in place, but then told him it was more likely due to a system upgrade at their end. Despite this, they've not upheld this issue, and are now relying on a log, but aren't responding to his challenges regarding this.*
- *B (retailer) – Mr F says Zable haven't acknowledged this issue as a complaint, but previously said it was his own fault if he refused to remove the block. Mr F said he wasn't seeing any block on the account and the earlier agent probably should have removed the block for him.*
- *S (retailer) – data suggests this transaction was declined due to the incorrect PIN being presented. But he disagrees with this on the basis he doesn't carry the physical PIN with him, and he uses his phone to pay for items. Mr F says Zable are clearly relying on incorrect information.*

- A (online retailer) – Mr F tried to make three purchases. On each attempt, he was asked to authorise the transactions and did – yet the payments were declined. Later on, they were then authorised as ‘pending transactions’. Mr F says Zable have blamed him for failing to approve the payments.

Mr F also remained unhappy with the automated email he received, and the delay in Zable replying to his complaint.

One of our Investigators considered things – ultimately, she awarded Mr F £100 because she wasn’t satisfied Zable hadn’t applied the block. But she didn’t uphold any other issues.

Zable accepted this. Mr F asked for the payment to be made to him, but still wanted his case passed to an Ombudsman. As I understand it the payment hasn’t been made, as Mr F hasn’t accepted the outcome, and the complaint’s been passed to me to decide.

Before deciding the outcome, I arranged for us to ask a series of questions of Zable – and, crucially, to explain all of the evidence they provide to us. They’ve since provided some, not all, evidence but haven’t explained it fully. This evidence took over four weeks to be provided, so I’m satisfied it’s now appropriate for me to go ahead and consider this case based on what I do have.

What I’ve provisionally 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.

The FCA’s Consumer Duty rules came into effect from 31 July 2023. These were introduced as a means of setting higher standards of consumer protection across financial services, requiring firms to put their customers’ needs first.

I’ll deal with each of Mr F’s concerns separately.

Declined transaction 14 December 2023 – T (travel company)

Mr F thinks no block should have been on his account at this time – and thinks the only reason there was is because of Zable’s error.

Zable say Mr F is responsible for the block being on his card, so didn’t think they’d done anything wrong.

One piece of evidence Zable did provide is a spreadsheet which they say shows everything Mr F did in the app.

With the transaction being apparently blocked happening on 15 December 2023, I’ve looked for entries on that date or before from the spreadsheet to work out what happened.

Working backwards, the first reference I can see that refers to the account being frozen or unfrozen is dated 8 August 2023. The entries suggest the account was unfrozen, the card was ready to activate, and the card was activated.

There are also two entries before this both dated 7 August 2023 (the day before) showing the card was ‘frozen’. And no other reference to ‘frozen’ in the history before or after 15 December 2023.

In the circumstances, I can't fairly hold Mr F responsible for the account being blocked – because Zable haven't demonstrated to me Mr F did so. The evidence I have above shows the account was active and open for use at the time of these transactions being apparently blocked. I'll be upholding this element of his complaint and will come back to this in the 'Putting things right' section at the end.

Declined transaction 21 December 2023 – B (retailer)

Zable's position is the account remained blocked – which is why this transaction also didn't work as Mr F should have removed it.

Mr F says he couldn't see any block, so didn't know there was a block on the account which meant he couldn't have removed it. And he says under Consumer Duty the adviser should have removed the block.

In line with the above, I can't see that any block was on the account or that Mr F has done anything wrong. So, I'll also be upholding this element. I don't need to make a finding on Consumer Duty on this point, as I'm upholding it due to Zable's inaction.

Declined transaction 28 January 2024 – S (retailer)

Zable say this transaction was turned down due to an incorrect PIN.

Mr F says this isn't possible, because he doesn't carry the card with him, and always uses his phone to pay for goods. And he says Zable are using incorrect evidence.

The evidence Zable have does show the PIN was attempted – and the commentary says 'Pin try limit exceeded'.

I asked Zable if they agreed with Mr F's comments in that he only ever used his phone to pay for items – they didn't answer this question.

To consider Mr F's claim here, I also wanted to see evidence of 'how' Mr F had paid for things historically – whether direct through his card with PIN, or through his phone – no evidence was provided.

I also asked if Zable had investigated Mr F's concerns that the information they'd been given by the retailer was wrong – if yes, I wanted to see the evidence, if no I wanted to understand why not. Zable didn't answer this question and instead just referred back to the evidence they'd provided showing a PIN had been attempted.

As a starting point I can see why Zable would suggest Mr F did attempt to use his physical card and PIN – but given Mr F challenged this, I'd expect Zable to have investigated the matter. As they haven't done so, nor provided any of the information I asked for – I'm going to uphold this element of Mr F's complaint. I don't think I can be satisfied the reason for the transaction declining is for the reasons Zable have said – as I don't have the evidence to prove it.

Declined transactions 1 February 2024 – A (online retailer)

Mr F says Zable have blamed him for these transactions not going through.

Zable say in their full final response that the issue is sometimes due to transactions not being authorised in their app. So, when someone tries to make a payment, the merchant should tell the customer they need to agree to the payment in the app – and then the

payment can be processed. Here, Zable said A tried to take the payment without that prompt.

On this issue Zable have provided evidence which says 'authentication required'. I think this is different to the transactions with S – because there Mr F would have been aware of whether he was using a card or not. But, in his transactions with A, he won't necessarily know if A tried to put the transactions through without any kind of authentication – which then failed – and the transactions were then put through again with Mr F now being asked to authenticate them and they were accepted. A could quite easily have attempted to process the transactions in the background, without showing anything to Mr F for him to be aware of.

I understand Mr F has said he's fallen victim to fraud before, so doesn't use any of these fast track options for payments. I don't dispute that at all. But, the evidence I have shows authentication was required, and I'm not persuaded Mr F could definitely have seen everything A may have done in the background when he was attempting the purchases.

The evidence provided by Zable also doesn't prove, as Mr F has suggested, that they retrospectively approved each transaction. This just isn't shown in the evidence I have – but I'm happy to reconsider this if Mr F thinks I'm wrong and can explain his points in more detail.

As things stand, while I completely understand Mr F's concerns, I'm persuaded by Zable's points and evidence here. I don't think they've done anything wrong in how these transactions were processed – so I won't currently be upholding this element of Mr F's concerns.

Initial contact, automated email, Mr F's chasers and delay in replying to his complaint

When Mr F first contacted Zable due to the issues with the 14 December 2023 transaction, he received an automated email that is sent to people with financial difficulties. Mr F said the email was derogatory and it caused him distress and anger – so he thinks the £25 isn't sufficient for how it made him feel.

I'll take into account that Zable have said their email wasn't appropriate when deciding on an appropriate level of compensation.

Mr F was also unhappy with Zable taking three days to reply to him. I think given his contact stretched over the weekend this doesn't seem entirely unreasonable – so I won't be upholding that element of his concerns.

Putting things right

I'm not currently persuaded Zable did anything wrong in their initial response to Mr F or with the transactions to A. But I am currently persuaded they've made errors on the remaining issues Mr F has complained about.

I've thought carefully about the way to put these issues right. Mr F has told us he went overdrawn as a result of the transaction on 14 December 2023 not going through. So, if he can provide evidence of any costs as a result of that – then it sounds reasonable to refund those costs. I'm not aware of any other costs Mr F has claimed for, but if he wants to claim for other costs then he'll need to send evidence of them along with an explanation of why he's claiming for those costs. If I agree some or all the costs should be paid then I'll share that with Zable and Mr F before I finalise my decision. If I don't agree with those costs, I'll likely look to issue a final decision and include in that why.

In addition to any financial losses that I've mentioned above, I do also think compensation is due for these issues. Zable have been telling Mr F information over many months that I can't verify – undoubtedly this has caused him distress, inconvenience and frustration. I'll include in this the issues Mr F experienced with the automated email, chasers for a response to his complaint, and the delay in providing a full outcome – as, again I think these will have added to his overall distress.

Taking everything into account, I think Zable should pay Mr F a total of £400 – inclusive of the £100 they previously offered – for the errors they've made in this complaint. I think Zable have failed to provide a satisfactory service to Mr F at different times – including the automated email, the information they've given him about the use of the card and dealing with the issues he's raised.

Responses to my provisional decision

Zable replied and said they accepted my provisional decision.

Mr F didn't accept the outcome. I've summarised his key comments in my own words below:

- No further comments regarding T or B
- Regarding S he wasn't able to provide any evidence at this point of using his card himself, even though he'd asked Zable to investigate as well
- In respect of A he said he'd already provided evidence to dispute the outcome I'd reached. He referred to screen shots he says showed four transactions to A were approved each for £0.00. He says he was prompted on each occasion by A to authorise the transactions, which were declined at the time, but then without further input from him later approved. Mr F has offered to get evidence from the card provider he did use to pay for these transactions, to evidence the timing of them.
- In the initial contact section of my provisional decision, Mr F wanted me to know he felt weekend hours needed to be taken into account – so Zable should have responded to him considerably sooner.

Finally – Mr F referred to the putting things right section, and said he didn't incur any charges, and asks for clarification of the £400 award. He asks if it's £400 plus the £100 our Investigator awarded, or £400 total.

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.

As Mr F has no further comments on T or B, and doesn't disagree with my thoughts on S, I won't go back over those – instead I'll just address his comments on the remaining issues.

Declined transactions 1 February 2024 – A (online retailer)

I thank Mr F for offering to speak to his credit card provider to gather more information – but having thought about his comments I don't think this is necessary.

Overall, the finding I've reached here, taking into account the evidence Mr F has referred to – is that A could have tried to process the transactions in the background without Mr F's knowledge. I completely hear and understand Mr F when he says he's got things set up so that A have to get permission for transactions. But, he can't know if A did try and process things without his knowledge – before then asking him for authorisation (perhaps

milliseconds later due to the speed at which these things can work). In the circumstances, I'm not persuaded Mr F is able to provide evidence that'll show me Zable did something wrong on this point.

Initial contact, automated email, Mr F's chasers and delay in replying to his complaint

I take Mr F's point that Zable could have replied to him sooner. But the issue in question was him trying to get through a train barrier turnstile. In the circumstances, most likely the immediacy of the issue had been resolved by the time Zable did reply to Mr F. If I think about the impact on him, I don't think it's significant overall. But I have still factored in Zable's general communication into the compensation amount.

Putting things right

For clarity – this is a total of £400. Zable offered £100 previously – and our Investigator also felt £100 was correct to put matters right. Our Investigators outcome wasn't ultimately accepted in full for the £100 to be paid – which is why the complaint was passed to me. So, where I've awarded £400 it's including the £100 Zable previously suggested they'd pay Mr F.

If Zable have already paid Mr F £100, then they need to pay him a further £300. If they haven't paid him anything, then they need to pay him £400 compensation.

My final decision

I'm partially upholding this complaint and require Lendable Ltd trading as Zable to pay Mr F a total of £400 compensation. Zable can remove any compensation already paid for this complaint from this figure before sending it to Mr F.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 January 2025.

Jon Pearce
Ombudsman