

The complaint

Ms R complains about the way in which Bank of Scotland plc trading as Halifax handled her disputed payments claim. She's also unhappy about the service she received from the bank.

What happened

Ms R went into a Halifax branch on 1 July 2023 to query some payments to Lebara which had been coming out of her account. She told Halifax that she hadn't agreed to these payments, and she wanted help in obtaining a refund.

A Halifax customer assistant advised Ms R to speak to Lebara directly. The assistant also cancelled Ms R's card in the belief that this would stop further payments being taken.

Ms R left the branch thinking that everything was resolved. However, between 1 July 2023 and 18 August 2024, further payments to Lebara left her account. These payments totalled £186.30.

When Ms R realised that further payments had left her account, she contacted Halifax again. She explained that she'd had a SIM card with Lebara the previous year and that she'd cancelled the agreement, but Lebara had continued to take payments.

Halifax raised chargebacks for the payments which had been made within the last 120 days.

Ms R remained unhappy as she believed the action she had taken in branch on 1 July 2023 should have stopped further payments being taken. Ms R raised a complaint on 19 August 2024.

Halifax upheld the complaint. It refunded 19 payments which had been taken since 1 July 2023 which weren't able to be included in the chargeback due to being out of time. The refund totalled £131.10. Halifax also paid compensation of £30 to Ms R to apologise for the poor service she'd received which had ultimately resulted in further payments being taken.

Ms R called Halifax when she received the final response letter. She spoke to a complaints manager and explained in more detail how the payments being taken had impacted her. She also made the bank aware of her specific support needs. The complaints manager explained to Ms R that further payments to Lebara had been blocked and that everything from 1 July 2023 had been refunded. Ms R asked if the compensation could be increased based on the impact on her. The complaint manager declined the request and said the resolution offered was fair.

Ms R remained unhappy and brought her complaint to this service.

Following the referral of the complaint to this service, Halifax made a proactive offer to settle the complaint. It said that if Ms R had been signposted to the Disputes department on 1 July 2023, they would have been able to refund a further 120 days prior to this date. The bank offered to refund a further £34.53 which included payments between 3 March 2023 and 30 June 2023. Halifax also said it had reviewed the call with the complaints manager and it

agreed that Ms R was communicating a very difficult situation which the complaint manager wasn't aware of when the £30 compensation was offered. Halifax offered a further £70 compensation to settle the complaint.

Ms R said she wasn't happy to accept the increased compensation. She said the impact of the disputed payments and the poor service provided by Halifax had impacted on her mental health.

Halifax subsequently increased the offer of compensation by a further £100, bringing the total compensation offer to £200.

Our investigator said the offer of £200 compensation was fair and in line with what this service would recommend.

Ms R didn't agree. She said she'd been into branch in February 2022 to report the payments and the customer assistant had printed off statements showing the transactions and advised her to contact Lebara directly, rather than advising her to apply for a chargeback or block the payments. Ms R said that refunds should be given for the payments taken in the 120 day period prior to her first visit to branch. Ms R also queried whether the compensation included the travel costs she'd incurred in making the extra trip to the branch to ask them to stop the payments.

Because Ms R didn't agree 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 appreciate that Ms R has said that she would rather have resolved this matter rather than go through the stress of the ombudsman stage. I'm mindful of that and for that reason I won't go into further detail about what happened. I'll keep my decision brief, focussing on whether I think the compensation offered is fair and reasonable in the circumstances.

It's clear that this experience has had a significant impact on Ms R. I'm sorry to hear this.

Halifax has acknowledged that it made errors. It has acknowledged that it should've raised a disputed transaction claim when Ms R first went into branch, and that it should have taken effective steps at that point to block the payments.

If Halifax had done what it should have done, a chargeback would've been raised for the period 120 days prior to Ms R's visit to the branch on 1 July 2023 and no further payments would've been taken from that date.

I appreciate that this isn't what happened. However, looking at what Halifax has done to put the transactional element of things right, I'm satisfied that by refunding all payments made to Lebara from 3 March 2023 onwards, Halifax has put Ms R back in the position she would've been in had the correct action been taken on 1 July 2023.

Ms R has said that she visited her branch earlier than 1 July 2023. She says she first raised a dispute about the payments in 2022, although she hasn't provided a specific date. This service asked Halifax to check its records for any notes of a visit by Ms R in 2022 but it hasn't been able to find anything. The only recorded evidence of Ms R's visit to the branch to dispute the transactions is 1 July 2023. This is the date that Ms R initially told Halifax and this service that she visited the branch. Its only much more recently that Ms E has suggested

an earlier date in 2022. On balance, there isn't enough evidence to persuade me that Ms R disputed the transactions in 2022 and therefore I can't fairly ask Halifax to refund further payments beyond those which it has already refunded.

Turning now to the compensation offered for the distress and inconvenience caused to Ms R. Ms R was caused distress and inconvenience because the payments weren't stopped on 1 July 2023 as she thought they had been. She was also caused further distress when she spoke to Halifax following receipt of the final response letter. I've considered both aspects.

I've listened to the call that Ms R had with the complaints manager. I won't go into detail, other than to say that the call started off well but by the end Ms R was asking to raise a complaint about the way the call had been handled.

Halifax has told this service that it was never its intention to cause Ms R any distress. It has also reviewed the call and says it has provided appropriate feedback and training.

Ms R has told this service about the impact that this experience has had on her. I appreciate that it must've been very frustrating for Ms R to discover that the payments hadn't been stopped as she'd thought. I also appreciate that Ms R has said that she found the call with the complaints manager triggering, as she felt she wasn't being believed and that she was being held responsible for the situation.

I've thought about whether Halifax's error and the impact on Ms R's mental health was something that Halifax should've foreseen. On balance, I don't think it was. But I recognise that Halifax's actions have had an impact on Ms R's wellbeing.

Taking everything into account, I think the offer of compensation from Halifax is fair and reasonable and in line with what this service would recommend.

Ms R has asked whether the compensation includes her travel costs to branch. I can't see that Ms R raised this specifically with Halifax when she complained and there's no evidence of what these costs were. So I'm unable to comment further on this, other than to say that I think the compensation offered overall is fair and reasonable.

Putting things right

To put things right Halifax must:

Refund £186.30 for payments 1 July 2023 to 18 August 2024 (less any refunds already issued)

Refund £34.53 for payments 3 March 2023 to 30 June 2023 (less any refunds already issued)

Pay £200 compensation for distress and inconvenience (less any compensation already paid)

My final decision

My final decision is that I uphold the complaint and I direct Bank of Scotland plc trading as Halifax to take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 22 May 2025.

Emma Davy
Ombudsman