

The complaint

Mr S is unhappy that Bank of Scotland plc, trading as Halifax, blocked an attempted credit card transaction pending verification of the legitimacy of that transaction from himself.

What happened

Mr S has a credit card account with Halifax which is in his sole name but on which his wife is registered as an additional card holder. On 13 February 2025, several transactions were undertaken using Mr S's wife's additional card, one of which was flagged by Halifax's automated fraud prevention systems and prevented from completing.

Having blocked the transaction, Halifax sent a text message to Mr S asking him to confirm if the transaction was genuine. Mr S responded to the text message, and the transaction was allowed to complete. However, Mr S wasn't happy that the transaction had been blocked by Halifax in the first instance, and so he raised a complaint.

Halifax responded to Mr S but didn't feel that they'd done anything wrong by administering his account as they had. Mr S wasn't satisfied with Halifax's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Halifax had acted unfairly or unreasonably as Mr S felt was the case and didn't uphold the complaint. Mr S remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Automated fraud prevention systems are used by many financial institutions to flag account activity that may be of concern and to prevent further usage of an account where it's felt that there is a possibility that fraud may be potentially occurring. Indeed, it must be noted that financial institutions such as Halifax have an obligation to employ such systems to comply with banking regulations which require banks to have systems in place to protect their customers' accounts, as much as possible, from acts of attempted fraud.

Having reviewed the terms and conditions of Halifax's credit card account, I'm satisfied that Halifax's right to block transactions it has potential concerns about is included in those terms. And it must be noted that Mr S agreed to and accepted the terms of the Halifax credit card account when he opened that account.

Additionally, it's incumbent on banks to employ these systems with a degree of vigilance – to err on the side of caution, as it were – which unfortunately means that there will be instances where legitimately authorised transfers are flagged erroneously by the fraud prevention systems. And I'm satisfied that this is what happened in this instance.

Mr S would like Halifax to explain why the specific transaction in question was flagged by

their automated systems. But I wouldn't reasonably expect Halifax to provide such an explanation. This is because fraud prevention systems are being constantly updated by financial institutions in response to new information on potential threats, and because if a bank were to explain to a customer how they could avoid having their attempted transfers flagged by the fraud prevention systems, then this would potentially reduce the effectiveness of those systems and leave them open to manipulation.

Mr S has also expressed his dissatisfaction at Halifax's fraud prevention systems in general. However, the remit of this service is limited to considering the impact of events being complained about upon the eligible complainant - which in this case is Mr S, being the account holder. And this service has neither the remit nor the authority to consider any wider sense of dissatisfaction that a complainant may have.

All of which means that I don't feel that Halifax have acted unfairly here as Mr S contends. This is because I feel that it wasn't unfair for Halifax to have flagged the attempted transaction or request confirmation of its legitimacy from Mr S. And while I appreciate that Mr S may be unhappy that a transaction made using his wife's additional card resulted in a text message being sent to himself, I can only reiterate that the account is solely in Mr S's name, such that it seems both fair and reasonable to me that Halifax would have communicated with Mr S, the account holder, directly.

Finally, I also must note that the impact of what happened here - that Mr S had to respond to a text message and that an attempted transactions was delayed by what I understand was a relatively short amount of time - doesn't appear to be particularly debilitating or significant to me. As such, the events under consideration here most likely wouldn't be something that I would consider instructing compensation for, even if I were to have felt that Halifax had acted unfairly or unreasonably - which, for the sake of clarity, I confirm is not the case.

I realise this won't be the outcome that Mr S was wanting, but it follows from all that I've explained that I won't be upholding this complaint or instructing Halifax to take any further or alternative action. I hope that Mr S will understand, in consideration of all the above, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 July 2025.

Paul Cooper
Ombudsman