DRN-5594687

The complaint

Mrs B complains that Bank of Scotland plc trading as Halifax declined her card despite the fact that she'd activated it and had been assured that it would work.

What happened

Mrs B opened a credit card account with Halifax in April 2021.

In December 2024 Mrs B reported her card had been used fraudulently. Her existing card was cancelled and a replacement card ending 7618 was sent to her.

Mrs B activated the replacement card but when she tried to use it to pay for fuel on 18 February 2025 the card was declined. Mrs B had to use her current account to pay. She contacted Halifax to complain and was assured that the card would work. Halifax offered to refund the transaction value of £78 and also paid £15 for any distress and inconvenience.

On 17 March 2025 Mrs B attempted to pay with her card, but it was declined. She had to use money from her children's savings account to complete her purchase. She complained to Halifax.

Halifax explained that the card ending 7618 was due to expire on 30 April 2025 so it had sent a new card to Mrs B on 17 February 2025. Halifax said the overlap between the old card and the new card had caused confusion. Halifax activated the new card and paid Mrs B further compensation of £75 for any distress and inconvenience.

Mrs B remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said the compensation already paid by Halifax was a fair resolution to the complaint.

Mrs B didn't agree. She said the compensation didn't reflect the level of distress caused when the card was declined three times. Mrs B said that each time the card was declined she'd been assured by Halifax that it would work. Mrs B said she'd had to use funds from her children's savings account when she had intended to complete her purchase using the credit card so that she had time to pay it off in smaller amounts.

Because Mrs B 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 know it will disappoint Mrs B but I agree with the investigators opinion. I'll explain why.

I've reviewed the account. I can see that Mrs B's card was declined on 18 February 2025. This card was a replacement card which had been sent to Mrs B following security concerns regarding her old card.

Its not disputed that Mrs B activated the replacement card. It shouldn't have been declined when she tried to pay for fuel. Halifax has acknowledged that there was an error here and has refunded the transaction costs and paid compensation of £15.

A new card was issued to Mrs B on 17 February 2025. This was because the old card was due to expire shortly. Mrs B contacted Halifax and asked whether she needed to activate the new card. Halifax advised Mrs B that the card could be used. It appears that this advice was incorrect because when Mrs B tried to use the card to pay for a large transaction, the card was declined.

I understand that this has been a distressing and frustrating experience for Mrs B. She's had to use funds from her children's savings account to purchase the item she wanted and has lost out on the opportunity to purchase the item on her credit card and pay off the cost over an extended period. So I do think some compensation for distress and inconvenience is warranted here.

Halifax has acknowledged that it made an error when it advised Mrs B that the card was already activated and ready to use. It has paid £75 compensation for this. so the total compensation paid to Mrs B so far is £90 plus the £78 transaction value from February 2025.

I've thought about whether the compensation already paid is sufficient to resolve the company fairly.

I appreciate that Mrs B doesn't think the compensation reflects the distress she suffered. I've also taken into account that Mrs B had to use her children's savings account to pay for an item she wanted because her card had been declined. Mrs B has said that she's suffered a loss of £500 because of what happened. I don't agree with that analysis because Mrs B used alternative funds to buy something she wanted/needed. So I don't think it would be reasonable to expect Halifax to refund the value of that transaction.

Taking all the circumstances of the complaint into consideration, I'm satisfied that the compensation already paid to Mrs B is fair and reasonable to resolve the complaint. So I won't be asking Halifax to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 6 August 2025.

Emma Davy
Ombudsman