DRN-5610133

The complaint

Mr F complains that Northern Bank Limited (trading as Danske Bank) blocked his credit card when he only requested that it block a transaction.

What happened

Mr F says he called Danske Bank on 22 July 2024 to request it blocked payments to a holiday company with which he was in dispute. He said this was agreed on the call, but he subsequently discovered that the credit card account had been blocked in its entirety and other, unrelated, transactions had been declined. He says his financial probity in the local community has potentially been compromised and that Danske Bank owes him an apology for the implications in the letter it sent dated 7 August 2024. Mr F added that any compensation would be passed on to his nominated charities.

Danske Bank says that it believed it provided Mr F with clear information about the temporary block it would apply to his credit card. It says it never agreed to block transactions from a single merchant as that is not possible. Danske Bank says that the intended payments were blocked, but that it acknowledges other transactions were also declined. It said the account remained blocked and that Mr F should contact it to remove the block.

Our investigator recommended that the complaint should be upheld. He found that Mr F had specifically asked whether other transactions would be affected by the block and was told they would not. He recommended Danske Bank should pay £150 compensation for the distress the declined transactions would have caused to Mr F.

Danske Bank accepted our investigator's recommendation and paid Mr F £150.

Mr F responded to say that Danske Bank paid the compensation before he'd even seen the outcome of his complaint and that he certainly hadn't agreed to it. He said that he doesn't believe £150 is sufficient given the bank's actions amounted to defamation of his character.

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.

Following Mr F's consternation at receiving the £150 into his bank account before he had even been told the outcome of the complaint, he requested for the money to be removed. Danske Bank has now confirmed that it has taken back the £150.

Having listened to the call on 22 July 2024, I am satisfied that Mr F was given the impression that only the payments to the holiday company would be blocked. Therefore, it was reasonable for Mr F to attempt to continue using the card and I find Danske Bank should take some responsibility for the subsequent inconvenience and embarrassment that he then experienced.

I have also listened to the call that Mr F made to this service following the unsolicited receipt of the £150 and I don't underestimate his strength of feeling concerning the alleged defamation he feels he has encountered at the hands of Danske Bank.

With regard to the level of compensation, I should clarify that the Financial Ombudsman Service is not a legal body and does not have the power to punish a business. Instead, it aims to compensate consumers for their financial losses or inconvenience. In this case, I can't see that Mr F has suffered a financial loss, but I accept that he was inconvenienced (and embarrassed) by the repeated failure of his credit card.

Nevertheless, with that in mind, I do consider that £150 compensation is fair and reasonable and in line with this service's usual awards in this area. Our guidance says:

"An award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation."

In summary, I do find that Mr F was misled during the call, but I cannot agree that the compensation should be higher than £150. I acknowledge Mr F's frustration with the manner in which this money was initially awarded, but it is now available to him again should he accept this decision.

My final decision

My decision is that I uphold this complaint. Northern Bank Limited (trading as Danske Bank) should pay Mr F £150 for the reasons outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 21 August 2025.
Amanda Williams
Ombudsman