

The complaint

Mr H complains Bank of Scotland plc trading as Halifax won't refund a transaction that debited his credit card account which he says he did not make or authorise.

What happened

On 16 January 2025, Mr H reported a transaction to an online retailer that had taken place on 5 January 2025 for £11.25 as fraudulent.

Mr H complained to Halifax because he was unhappy with the wait time to speak to the fraud team on the phone and he wanted this unauthorised transaction refunded. Halifax responded to say Mr H would need to speak to the merchant again before they could raise a fraud claim. And it was sorry for the inconvenience caused by the wait time. As he remained unhappy, Mr H referred his complaint to our service.

After this Halifax offered to refund the disputed transaction and pay Mr H £75 in recognition of the inconvenience caused by the wait times. Mr H said he didn't want to accept this as a replacement card had not been sent out and he'd had another issue relating to a change of address.

Our Investigator explained that these issues regarding the replacement card and the address change needed to be raised with Halifax before we could consider them.

In relation to this complaint, our Investigator said, in summary, she didn't think Mr H had authorised the payment – so she recommended Halifax refunded the transaction as well as any interest and fees. She also thought the £75 was fair and reasonable in recognition of the inconvenience caused by the wait time to speak to the fraud team.

Mr H didn't accept the Investigator's findings. He said he remained unhappy because of the other issues and that despite acknowledging it should have refunded the fraudulent transaction; Halifax still hadn't refunded it.

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.

Under the Payment Services Regulations 2017, generally, Halifax can hold Mr H liable for the disputed transaction if the evidence suggests that he made or authorised the transactions. The Payment Services Regulations also make provision for the Consumer Credit Act 1974 to apply, and where a credit facility has been used, the relevant legislation is section 83 of the Consumer Credit Act 1974.

Halifax has provided evidence the payment was made as a Continuous Payment Authority ("CPA"). This is a recurring card payment where a customer authorises a merchant to take regular payments from their account using the card details. But beyond this, Halifax has not

provided anything which would sufficiently demonstrate Mr H authorised the disputed transaction.

Mr H does use the online merchant in question. But he's provided evidence from his contact with the merchant that this payment was taken in relation to another customer's account. The merchant confirmed the email address linked to the order and it doesn't appear to be Mr H's, or one he recognises. And he's provided screenshots from his own account which don't show a corresponding order on 5 January 2025 for £11.25.

When Mr H reported this transaction to Halifax as not having been made by him, I would've expected it to have investigated it. I can see here that issue was complicated slightly by Mr H telling Halifax he didn't want to be without his credit card (which Halifax would've cancelled as part of its investigation process) and wasn't at home to receive a new one at the time. But if Halifax had gone ahead and investigated, by looking in more depth at the transaction and contacting the merchant, I think it's likely it would have received the same information Mr H has now provided. Namely, the transaction appears to have been in relation to someone else's account. And although, based on what Mr H has said, it's unclear how his card details came to be used in relation to another customer's order, I think overall the evidence we do have points to this transaction likely not having been consented to by Mr H.

Based on everything I've seen, I'm satisfied Mr H more likely than not did not authorise this transaction. And given the transaction involves a distance contract on a credit facility, I'm satisfied there's no other basis on which Halifax could fairly hold Mr H responsible for it.

Turning to the call waiting times, Mr H has said when he first contacted Halifax to report the fraud the automated message warned of a 30-minute wait time. And after waiting 11 minutes, Mr H decided he couldn't wait any longer and terminated the call. I understand Mr H's frustration but I don't think it's unreasonable to expect some wait times when calling a large organisation such as a bank. And I don't think 30 minutes is such a long period of time that I'd consider it to be excessive.

Halifax has now offered £75 in recognition of the distress and inconvenience caused. And I find this fair taking into account both parties appear to agree the transaction itself should have been refunded much earlier and the inconvenience caused by Halifax's fraud team's wait times. I know Mr H is unhappy that Halifax didn't refund the transaction when it made the offer to, but as Mr H didn't accept Halifax's offer to resolve things at that point – it's not unusual for the financial business to wait until the case is concluded to make any payments. So I don't think this makes a difference to the overall outcome of his complaint.

My final decision

For the reasons I've explained, I uphold this complaint.

To put things right, I require Bank of Scotland plc trading as Halifax to:

- Rework the account to the position it would have been in had the disputed transaction of £11.25 not debited the account.
- Pay Mr H £75 in recognition of the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 September 2025.

Eleanor Rippengale
Ombudsman

