

The complaint

Mr D complains that Bank of Scotland plc trading as Halifax blocked his card without notification.

What happened

Mr D holds a credit card account with Halifax. On 6 February 2025 Mr D attempted to pay the balance of £1,823.98 for a holiday he'd booked. Mr D's payment was declined four times.

Mr D contacted Halifax via the online chat facility at 9.52am. The virtual assistant identified that an agent would be best placed to assist Mr D, and he was advised of this in the following message:

"Your conversation has been assigned to our Complaint Specialists. They will respond to your message between 8.00am and 8.00pm Monday to Saturday".

Mr D visited the online chat again at 10.02am and was advised by an agent that his card was temporarily blocked due to concerns that the transactions may not have been genuine. The agent asked Mr D to contact the Fraud Team and provided him with the number to call.

Mr D subsequently spoke to the Fraud Team and his card was unblocked.

Mr D visited the online chat again at 11.06am and expressed disappointment that he hadn't received a text or email notification when his card was blocked. He said the block had caused him stress and inconvenience. Mr D later raised a complaint.

In its final response letter Halifax said it wasn't upholding the complaint relating to the declined transaction because the block had been applied as part of the bank's fraud prevention measures. Halifax said it understood that Mr D had been caused inconvenience but said the block was appropriate in the circumstances. Halifax acknowledged that the service Mr D had received on the online chat fell short of its usual standards. It apologised and offered £30 compensation for the distress and inconvenience caused by the poor service on the chat.

Mr D remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. They said that although they appreciated the inconvenience caused when a genuine transaction was flagged, the terms and conditions of the account stated that Halifax may refuse to authorise a transaction if it suspects fraud. The investigator said there was no dispute that the service Mr D received on the online chat fell below expectations but said the compensation offered by Halifax was fair and reasonable and in line with what this service would recommend.

Mr D didn't agree. He said he didn't accept that Halifax had reasonable grounds to suspect fraud and said the compensation offered didn't recognise the extent of the stress and inconvenience caused.

Because Mr D 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 Mr D, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments to those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the terms and conditions of the account. These state (at B2.5 Can we stop you using your card or refuse to authorise a transaction?) that Halifax may cancel or suspend use of the card, refuse to replace or reissue a card or refuse to authorise a transaction or type of transaction if they believe it is necessary as part of its procedures to prevent fraud.

Mr D agreed to these terms and conditions when he took out the card.

Mr D has said that he doesn't believe that Halifax had reasonable grounds to suspect fraud when it blocked his card. Halifax has explained that its systems will automatically place a fraud block on the card if the transactions is suspicious.

I appreciate that Mr D had used his card to make payments to the merchant on previous occasions without his card having been blocked. And I understand how frustrating and distressing it must've been for Mr D to find himself unable to make a payment which was due that day for his holiday. That said, it's a matter for Halifax as to how much information it provides about the reasons why a transaction triggered its fraud systems. Generally, a provider of credit wouldn't publish or provide detailed information about its fraud prevention policies because this is commercially sensitive information and could be misused if it fell into the wrong hands.

Taking everything into account, I'm unable to say that Halifax made an error or treated Mr D unfairly when it applied the block to his card. The block was applied in line with the terms and conditions of the account as part of the banks fraud prevention measures.

I've gone on to consider the customer service aspects of this complaint. This is the aspect in respect of which Halifax has offered compensation, Mr D doesn't think the compensation reflects the distress and inconvenience caused to him.

I'd like to make it clear that I don't think Halifax need to pay any compensation for blocking the card. As I've said above, I don't think Halifax made an error when it blocked the card. So, whilst I agree that the blocking of the card caused Mr D distress and inconvenience, I won't be asking Halifax to pay compensation for blocking the card.

Halifax has acknowledged that it could've provided better service to Mr D when he used the online chat to contact them. I can see that it took around 1 hour and 15 minutes before the card was unblocked. I appreciate that Mr D believes that he should've received a text or email advising him that his card had been blocked. Halifax has explained that whilst it sometimes sends a text, this isn't their process every time a card is blocked. and the absence of a text message being sent to Mr D wasn't an error. Because Halifax has acted in line with its process here, I'm unable to say that it has treated Mr D unfairly.

I've read what Mr D has said about the impact that this had on him. I've also taken into account that the matter was resolved within a relatively short time and the card was

unblocked promptly. I appreciate that Mr D has been left with a residual anxiety that the card might be blocked again, but I can't give him a guarantee that any future transactions he makes won't trigger the banks fraud systems. And I'm unable to take Mr D's concerns at the possibility of the block being applied in the future into account when considering compensation, as this is a hypothetical impact.

Taking everything into consideration, and whilst I acknowledge that this has been a distressing experience for Mr D, I think the compensation offered by Halifax is fair and reasonable. I won't be asking them to increase the compensation or 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 Mr D to accept or reject my decision before 15 September 2025.

Emma Davy
Ombudsman