

The complaint

Mr S complains that Bank of Scotland plc, trading as Halifax, prevented him from making payments to his credit card account.

What happened

Towards the end of June 2024, Mr S wanted to make some large payments to his Halifax credit card. But Halifax wouldn't allow Mr S to make the payments, and this meant that when Mr S went overseas shortly afterwards, he didn't have sufficient credit available to him to make payments that he wanted to make.

This meant that Mr S had to make the payments using his debit card, and incurred significant foreign transaction fees that he would have avoided had he been able to use his credit card as he wanted. Mr S wasn't happy about this, so he raised a complaint.

Halifax responded to Mr S's complaint but misunderstood it and didn't respond to the points of complaint that Mr S was making. 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 and liaised with Mr S and Halifax about it. During their review, Halifax corrected their understanding of the complaint and explained that the reason Mr S had been prevented from making payments to the account was because those payments would have put the account into a positive balance – which wasn't allowed.

Our investigator felt that Halifax's explanation of why they hadn't allowed Mr S to make the payments in question was reasonable, but Mr S disagreed. 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.

Having done so, I won't be upholding this complaint or instructing Halifax to take any form of action here. I realise this will be of disappointment to Mr S, but upon review, I feel that Mr S's expectation that he could use his credit account in the manner that he wanted to was misplaced. And I feel that, ultimately, Mr S was trying to use his Halifax credit account in a way that wasn't permitted.

Mr S has said that it was never his intention to 'pre-load' his credit account, and that he simply tried to pay off purchases that he'd made as soon as he'd paid them. But if Mr S was attempting to pay off the purchases before those transactions had cleared onto his account, then he was, however unwittingly, trying to pre-load the account. This isn't permitted by the terms of the account, which include that Halifax can refuse to accept a payment to the account if it results in the account holding a positive balance. That is what Halifax did, and I don't feel that they acted unfairly by doing so.

Mr S has said that he incurred significant non-sterling transaction fees on his current account because he couldn't make the overseas purchases using his credit account. But Mr S's current account statement shows that, on 1 July for instance, undertook six transactions totalling over £19,300.

The credit limit on Mr S's Halifax account is £5,000. And because Mr S would have been required to have waited until a transaction cleared on his credit account – which could have taken a few days – before he repaid that amount, I'm satisfied that it was never the case that Mr S would have been able to use his credit account as a vehicle to avoid paying non-sterling transaction fees on the large transactions he overtook while overseas.

All of which means that I won't be upholding this complaint or instructing Halifax to take any further or alternative action. This is because I don't feel that Halifax did anything wrong by refusing the payments that Mr S tried to make that would have put his credit account in a positive balance, and because I feel that it was for Mr S to have waited until purchases he made posted to his credit account before he tried to pay them off.

Finally, I note that Halifax have offered to pay £150 to Mr S for their not reviewing his complaint correctly in the first instance. This is in addition to £75 that Halifax paid Mr S having incorrectly reviewed his complaint. However, how a business handles a complaint doesn't fall under the remit of this service, and as such I leave it to Halifax and Mr S to discuss Halifax's offer between themselves.

I realise this may not be the outcome Mr S was wanting, but I hope that he understands, given what I've explained, 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 25 September 2025.

Paul Cooper
Ombudsman