

The complaint

Mr B complains that Bank of Scotland plc trading as Halifax blocked his credit card and he couldn't resolve this while he was overseas.

What happened

Mr B says that while he was overseas, Halifax repeatedly blocked his credit card due to potential fraud concerns. Mr B was unhappy that the only way to contact Halifax's fraud team was by phone and that he couldn't resolve the issue by other means such as messaging. This left Mr B inconvenienced and embarrassed, so he decided to return to the UK to sort things out.

Halifax didn't agree that it made a mistake when it blocked Mr B's card, but it paid him £50 for the inconvenience caused. After Mr B complained to our service, Halifax offered a further £200 compensation to apologise for the fact that after saying it had lifted the block on 7 March 2025, transactions declined the next day, and Mr B had to contact the fraud team on 10 March 2025.

Our investigator thought that Halifax acted in line with the terms of Mr B's account when it blocked the card. Our investigator didn't agree that Mr B's account was repeatedly blocked as he was able to use the card many times while abroad. Our investigator thought that the issue stemmed from one block which Halifax placed on Mr B's account on 10 February 2025.

Our investigator agreed that Halifax caused further inconvenience when it didn't remove the block as discussed on 7 March 2025. For this failing, he thought Halifax's offer to pay a further £200 compensation was fair.

Mr B is unhappy with the investigation outcome. He says Halifax continuously failed to give him advance notice of blocking his card, causing him significant inconvenience and embarrassment at a time when he was trying to conduct business overseas. Mr B says that fraud team isn't open 24 hours a day when you call from overseas. Mr B asks why Halifax didn't contact him through the mobile app or by phone and ask for further information. Mr B says it was necessary to return to the UK to resolve the problem. He wants Halifax to pay him at least £1,000 compensation.

As Mr B's complaint remains unresolved, it has come to me to decide.

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 appreciate I have summarised this complaint in less detail than the parties and have done so in my own words. The rules which govern us, together with the informal nature of our service, allow me to take this approach. But this doesn't mean I have not read and considered everything the parties have given to us.

I would like to explain that it is not for the Financial Ombudsman to tell a business how to run its' security process, such as when to restrict a credit card, how to remove a restriction or by what method the business allows their customer to use to ask to lift a restriction. That role falls to the regulator – the Financial Conduct Authority.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent fraudulent transactions. Sometimes this means that a bank will block a payment until the customer confirms it is genuine. This can lead to stress and inconvenience for the customer, but it doesn't necessarily mean the business acted incorrectly.

Under the terms of Mr B's account, Halifax can refuse to authorise a transaction if it has reasonable grounds for suspecting fraudulent or unauthorised use of an account, "including if the transaction seems unusual compared with your normal card usage." In Mr B's case, Halifax says it had a concern about a transaction which he attempted to make on 10 February 2025. So, I can't say that Halifax made a mistake when it blocked Mr B's account.

Halifax has supplied evidence that it placed a block on Mr B's account and sent a message to the mobile number it held on file asking whether the activity was genuine. As Halifax doesn't have any record of Mr B responding to the text, I don't find it unreasonable that the block remained in place.

I appreciate Mr B says Halifax had previously told him not to trust text messages as they are not secure. I don't have further evidence of this, but it seems possible that Halifax would have warned Mr B to be careful when responding to messages. But I don't think this means that Halifax should have also notified Mr B within the mobile app that it had blocked his account as this isn't the process it usually follows.

Halifax has explained that Mr B was sometimes able to use the card while overseas because the block primarily impacted online or card not present use. This is likely to be because card not present transactions pose a higher fraud risk than transactions carried out when the card is present. I appreciate this must have been frustrating as Mr B could not understand why he was sometimes able to use the card. But I don't think it means that Halifax did anything wrong. It also means that Mr B was able to use his Halifax card for much of the time – thereby limiting the negative impact on him.

I have read the chat transcript from 22 February 2025 when Mr B asked Halifax to remove the block. The agent explained that Mr B would need to contact Halifax's fraud team and gave him both the free phone and international number to call. I appreciate Mr B said he couldn't make international calls from his phone and didn't have access to a landline, but Halifax explained that he would need to call the fraud team to have the block lifted. This was in line with Halifax's usual process, so I don't find that it did anything wrong by not lifting the restriction based on the chat.

Mr B says that when he called the fraud team using the number supplied it was closed. I can't know exactly what happened but based on the information supplied by Halifax, the debit or credit card fraud team lines are open 24 hours a day, seven days a week. It may have been the case that the line was busy at times, but it is difficult for me to conclude that Halifax's fraud team was closed when Mr B called.

Although Mr B says he had no other choice but to return home to sort things out, this was his choice to make. I don't consider it fair to require Halifax to refund Mr B's travel costs, as even though it may have taken time and been inconvenient to speak with the fraud team from abroad, it should still have been possible to get the block lifted as Mr B was able to do on 10 March 2025.

When thinking about whether Halifax's offer of compensation goes far enough to recognise the upset and embarrassment caused to him, I have the guidance available on our website in mind. Mr B says that the compensation paid and offered so far doesn't acknowledge the distress and anxiety caused to him when his card was repeatedly blocked without any clear communication from Halifax. But for the reasons outlined above, I don't consider that Halifax was wrong to block his card. It has shown that it sent Mr B a text message about the block – as I would have expected it to. As Mr B didn't respond to the text or speak with the fraud team until early March 2025, I don't think it was unreasonable for Halifax to have left the block in place. Halifax has already paid Mr B £50 to apologise for any failure in customer service caused when messaging about the block – I think this was fair.

Where I agree that Halifax let Mr B down, is when it told him on 7 March 2025 that it had lifted the block, only to have another transaction decline on 8 March 2025. This caused further inconvenience to Mr B and meant he had to follow up with Halifax on 10 March 2025 before it fully lifted the block. Halifax has offered to pay Mr B a further £200 compensation. I appreciate this is significantly less than the £1,000 compensation Mr B says he would accept. But an award totalling £250 sits towards the top of the range of award we might make where the actions of a business led to some acute stress, and the complaint has taken a reasonable effort to resolve. I consider this adequately reflects the embarrassment and inconvenience caused when Mr B couldn't complete the transaction on 8 March 2025 and for the fact he had to contact Halifax again.

My final decision

Halifax has already made an offer which I think is fair. My final decision is that if it has not already done so Bank of Scotland plc trading as Halifax should pay Mr B £200. For the avoidance of doubt, this is in addition to the £50 it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 October 2025.

Gemma Bowen
Ombudsman