

The complaint

Miss T complained that Bank of Scotland plc trading as Halifax, should pay additional compensation to reflect the stress and worry she experienced when her bank card was blocked while she was on holiday abroad.

What happened

Halifax's automated anti-fraud system declined a payment Miss T attempted and placed a block on her card pending further checks. When she contacted Halifax on 28 February 2025, the block was lifted. However, a few hours later, a different block was applied after Halifax's system flagged further transactions. When Miss T called again on 4 March 2025, Halifax was unable to verify her identity, and no further contact was made to complete the verification process.

When Miss T complained, Halifax explained that its systems had operated as intended. It said that after the initial block was removed, a second block was applied shortly afterwards, possibly because the payments were being made abroad through various channels. Halifax acknowledged that this had impacted on Miss T's holiday and that she incurred additional costs when calling Halifax to resolve the issue. To address this, Halifax paid her £130 to cover the inconvenience and international call charges.

Our investigator recommended increasing the total compensation to £200, and Halifax agreed. However, Miss T felt this amount did not adequately reflect the stress and worry she experienced.

Miss T has asked for an ombudsman to review the complaint, so 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've carried out an independent review and having done so, I've reached the same conclusion as our investigator.

I can appreciate how frustrating and stressful Miss T found this whole experience, and I sympathise. But to award Miss T more compensation, I would have to find that Halifax made a mistake or acted in a way that wasn't fair and reasonable and it hasn't done enough to fix this. So I've looked at what happened with this in mind.

Sometimes a bank identifies and blocks legitimate payments and whilst this can cause inconvenience to a customer it doesn't necessarily mean the bank has acted incorrectly or unfairly.

To comply with legal and regulatory obligations Halifax is required to have processes in place to keep customers' money safe and prevent fraudulent transactions – and these operated here. How businesses design and implement these measures falls under the

oversight of the Financial Conduct Authority (FCA), so it's not for me to tell Halifax how to run its anti-fraud systems.

It's unfortunate that after the initial block was removed Halifax's systems flagged further transactions and blocked the card again pending completion of extra checks. But Halifax has provided me with confidential information from its system records showing that the second block was applied in line with its fraud prevention process. Bearing in mind the purpose of these measures is to keep customers' money safe, I can't fairly say Halifax acted incorrectly or unreasonably when it did this.

I would still expect Halifax to treat Miss T fairly and reasonably overall. And in my view, especially knowing she was abroad, Halifax could have let Miss T know that further transactions could trigger another block. Had it done so, Miss T would have been forewarned and might have been able to make alternative arrangements to access her funds.

So I've thought carefully about the question of fair redress, which is the main reason Miss T has requested an ombudsman referral.

Miss T said her holiday was '*totally ruined*' and I don't doubt that she was caused significant upset and worry as a result of what happened. What I have to decide is how far it's fair to hold Halifax responsible for this.

I must be impartial. The ombudsman approach to redress is to also take into account what Miss T could have done differently. We expect consumers to take reasonable steps themselves to limit the impact of things going wrong. When Miss T called Halifax again on 4 March, Halifax was unable to verify her identity so it needed Miss T to call back with Photo ID such as a passport – which I think she would've been able to do. And had she done so, I've no reason to think that she wouldn't have been able to complete Halifax's further checks (as she'd done first time when the block was applied). This could've limited the overall impact of what happened. But no further contact was received to complete the verification process.

I can understand why – Miss T was anxious about the cost of making a further international call and there were time zone differences. But Halifax offered a 24-hour helpline and I think Miss T could've done more to try and get the second block removed if she'd chosen to make this a priority.

Halifax however has recognised that its systems, despite working as intended, had particularly unfortunate consequences for Miss T and paid her compensation for this. It has agreed to increase its compensation award up to £200 – so effectively it will pay Miss T another £70.

I consider this fair compensation for Miss T in her particular circumstances.

Putting things right

Halifax should pay Miss T £200 compensation in total.

Halifax may deduct the £130 (and any other amount it has already paid) from this total.

My final decision

My final decision is that I uphold this complaint and Bank of Scotland plc trading as Halifax should take the steps set out above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 6 January 2026.

Susan Webb
Ombudsman