

complaint

Mr F complains that Bank of Scotland plc, trading as Halifax, didn't let him know about unusual transactions being debited to his credit card account.

background

Mr F's credit card account has been debited with a considerable number of payments to one specific online store, totalling almost £800, which he says he didn't know about or authorise. But he agrees that he set up a young relative to use his online account with that store. He says these disputed transactions were out of character for his account and Halifax's fraud systems should have picked them up. But Halifax isn't willing to refund them. It has paid £65 for the delays in responding to Mr F's complaint and offered a further £30 because of difficulties he had in contacting it.

The adjudicator didn't think that this complaint should be upheld. She said that by linking the family member to his own online account with that store he had authorised the third party to use it. It wasn't reasonable to expect Halifax to refund the money. And Halifax's fraud prevention systems were a matter for its own commercial judgement.

Mr F still thought that Halifax should have contacted him. A lot of transaction debited his account in a short space of time and these were out of character for his account.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr F agrees that the internet account in question was set up in his name and with his card. But he also allowed a young relative to use the account and he didn't set a password. He only discovered the amount and number of transactions when his monthly credit card bill was so much higher than usual. Mr F thinks that Halifax should have told him about these as they were unusual activity for his account.

I appreciate Mr F's concern as about £800 has been debited to his account but I find that Mr F provided his card details to allow his relative to use the account. By doing so I consider he authorised any transaction to debit his account so Halifax is entitled to hold him liable for the amount. I have thought about whether Halifax can request a refund under the MasterCard chargeback regulations but I'm satisfied that the retailer hasn't made a mistake.

Mr F is unhappy that the transactions didn't flag up on Halifax's systems as unusual activity and thinks they should have done. But banks use different fraud detection systems and a number of factors for fraud checks, which change constantly. Halifax is entitled to decide for itself what these should be. This is a matter of its own commercial judgement, with which I can't properly interfere.

I know Mr F will be very disappointed as it is a lot of money to lose but, for the reasons I've given, I can't ask the bank to refund him.

Halifax has accepted that it didn't provide a satisfactory level of service in dealing with Mr F's complaint and that he had difficulties in contacting it. It has already paid £65 for this poor service, as a gesture of goodwill, and has offered to pay a further £30. I consider this to be

fair and I simply leave it to Mr F to decide whether, upon reflection, he now wishes to accept this.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 May 2016.

Karen Wharton
ombudsman