

The complaint

Mr R is unhappy with Bank of Scotland plc, trading as Halifax, because of issues he had accessing his accounts while he was overseas.

What happened

Mr R was overseas and found that his Halifax debit card wasn't working which meant that he couldn't make card payments or withdraw money from cash machines.

Mr R contacted Halifax about this and was incorrectly told that the overseas country in question was a sanctioned country which meant that Halifax couldn't provide any banking services there, which was why his debit card didn't work. Mr R wasn't happy that his debit card continued to not work in the country in question or with the reason he'd been given as to why. So, he raised a complaint.

Halifax responded to Mr R and confirmed he'd been given incorrect information as to why his debit card hadn't worked while he was overseas. Halifax apologised to Mr R for this and for the fact they had his telephone number recorded incorrectly on their systems which had meant they'd been unable to contact him while he was overseas, and they paid £50 to Mr R as compensation for any upset or inconvenience he may have incurred.

Halifax also confirmed to Mr R that the reason his debit card had been blocked was because of their automated fraud prevention systems and explained that they had now updated their systems so that he should now be able to use the card with full functionality. Mr R wasn't satisfied with Halifax's response and his debit card continued to not work. So, he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Halifax had acted unfairly by blocking Mr R's card for the reason they did. But they felt that Mr R had incurred a degree of trouble and upset because of the provision of wrong information and because of Halifax not having his phone number listed correctly on their systems that merited further compensation beyond the £50 that Halifax had already paid. Because of this our investigator said Halifax should pay a further £200 to Mr R, taking the total compensation to £250.

Halifax agreed with the recommendation put forwards by our investigator. But Mr R remained dissatisfied and felt that a larger award of compensation was merited here. 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.

I issued a provisional decision on this complaint on 13 September 2023 as follows:

I feel it's necessary to clarify the scope of this complaint. Specifically, it's notable that when Mr R referred his complaint to this service, he mentioned issues he'd encountered while

being overseas in two separate countries – one of which was Morocco. However, Halifax have explained that they've never received a complaint from Mr R about any issues he may have experienced in Morocco. And their submissions to this service are only concerning Mr R's complaint about issues he experienced while in the other country.

The rules by which this service must abide – which can be found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook – include that we can only consider a complaint after a business has had an opportunity to respond to that complaint themselves.

In this instance, Halifax haven't had an opportunity to respond to Mr R's complaint about the issues he experienced while in Morocco. And this means that this service can't consider that aspect of his complaint at that time. Consequently, this means that my decision here will only be in consideration of the issues that Mr R experienced while in the other country – which is a complaint that Halifax have considered and have issued a complaint response to.

Should Mr R want the issues he experienced while in Morocco to be considered, he would need to direct his complaint about those issues to Halifax in the first instance and allow them the opportunity to respond to them. If Mr R isn't satisfied with Halifax's response to that complaint, or if Halifax don't respond to him within eight weeks, then he may have the right to refer his complaint about the issues he experienced while in Morocco to this service.

Fraud prevention systems are used by all financial institutions to flag account activity that may be of concern and to prevent further usage of an account where it's felt that there is a possibility that fraud may be potentially occurring. Indeed, it must be noted that financial institutions such as Halifax have an obligation to employ such systems to comply with banking regulations which require banks to have systems in place to protect their customers' accounts, as much as possible, from acts of attempted fraud.

Additionally, Halifax's obligations to protect their customers' money, and to have systems in place to do so, exists regardless of where their customers may be. And so, I don't feel that it was unfair or unreasonable for Halifax to have blocked Mr R's debit card because of security concerns as they did while Mr R was overseas.

Halifax have confirmed to this service that the nature of the block that was placed on Mr R's debit card means that Mr R needs to speak with Halifax to enable that block to be removed. Mr R did contact Halifax via online chat while overseas, at which time he was incorrectly told that that his debit card wouldn't work in the country in question because it was a sanctioned country. Halifax corrected their mistake on the online chat a short while later, but by this time Mr R had left the online chat.

Additionally, when Halifax responded to Mr R's complaint – which they did via a letter dated 24 February 2023 – they again failed to explain to Mr R that he needed to contact them to remove the block on his account. Instead, Halifax explained that his debit card had been blocked because of security concerns but then incorrectly explained that they had updated their systems to that the functionality of Mr R's card would be restored.

Finally, Halifax also had Mr R's phone number incorrectly recorded on their systems – an error which Halifax acknowledge was made by themselves. This meant that the automated calls and messages that Mr R should have received from Halifax regarding the blocking of his debit card wasn't received by him.

All of which means that, while I don't feel that Halifax acted unfairly by blocking Mr R's debit card as they did, it's clear that Mr R hasn't received the standard of service from Halifax surrounding this matter that he's reasonably entitled to expect. This includes being given

incorrect information by Halifax on two occasions and not receiving communications from Halifax because of an error on Halifax's part. And I don't feel the £50 that Halifax have paid to Mr R to date does provide fair compensation for this sequence of poor service.

As such, I'll be provisionally upholding this complaint in Mr R's favour and instructing Halifax to make a further payment of £250 to Mr R, taking the total compensation amount to £300.

In arriving at this amount, I've considered the impact of these events on Mr R, as he's explained them to this service, and including that I feel it's reasonable for Mr R to have not telephoned Halifax to unblock his card while overseas having already been incorrectly told that there was no opportunity for his card to work in that country because it was a sanctioned country. And I've also considered the general framework which this service uses when assessing compensation amounts for upset and inconvenience – details of which can be found on this service's website.

I also note that if Mr R is continuing to have issues with his debit card, he will need to speak with Halifax's 'Debit Card Fraud Team' via telephone to resolve them.

Mr R responded to my provisional decision letter and explained that he didn't feel that additional £250 compensation I'd provisionally instructed was fair regarding the level of upset and inconvenience that he'd experienced.

Notably, when Mr R discussed this matter with our investigator, he referenced issues that he'd experienced while in Morocco. However, as explained in my provisional decision letter, this review isn't in consideration of the issues he experienced while in Morocco. Rather, it's only in consideration of the issues that Mr R experienced while in the other overseas country, as described in the 'What happened' section of this letter. And, as also explained in the provisional decision letter, if Mr R is unhappy with the service he received from Halifax while in Morocco, he will need to raise this matter with Halifax as a new complaint.

Mr R also noted that he had provided his correct number to Halifax, but that Halifax failed to add the country code, which meant that when they tried to call him while he was abroad the call didn't connect. I appreciate Mr R clarifying this point, but I can confirm that I was aware of these details at the time of my review. Indeed, I noted in my provisional decision letter that Halifax had confirmed that the error in recording Mr R's phone number was made by themselves.

Finally, Mr R reiterated that he had told Halifax that he was going overseas before travelling. Again, I acknowledged this point in my provisional decision letter. But I can only reiterate that the fact that Mr R was overseas – regardless of whether he told Halifax about this or not – doesn't mean that Halifax don't or shouldn't apply their fraud prevention systems to his account and the transaction that occur on it. And, ultimately, it remains my position that Halifax didn't act unfairly or unreasonably by blocking Mr R's account as a response to their fraud prevention systems as they did.

Ultimately, while I appreciate that Mr R may not agree, it remains my position that a further £250 compensation does provide a fair resolution to him for the troubles that he experienced solely while in the overseas country which he was incorrectly told was a sanctioned country. As such, while I've taken Mr R's further comments on board, I continue to feel that the position I outlined in my provisional letter is a fair outcome here, and so my final decision will be a confirmation of that position.

Putting things right

Halifax must make a further payment of £250 to Mr R, in addition to the £50 that they've

already paid.

My final decision

My final decision is that I uphold this complaint against Bank of Scotland plc, trading as Halifax, on the basis described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 November 2023.

Paul Cooper
Ombudsman