

The complaint

Mr R complained because Bank of Scotland plc, trading as Halifax, refused to refund him for transactions which he disputed. Mr R said he was threatened while in a bar abroad and forced to make the payments, and that he had pepper spray thrown in his eyes.

What happened

Mr R was abroad in March 2023 and he used his Halifax credit card to make a number of transactions between 24 and 27 March.

On 28 March, Mr R contacted Halifax. He disputed three of the payments on his account: one for £373.54 to a bar, and two payments for £134.34 and £183.73 to another bar. Mr R told Halifax that he'd been in a bar, and three men threatened him. He also said that the bar staff told him his card had been declined and he had to enter his PIN again. Mr R said he'd done so, but said he hadn't been aware of the amount being charged when he'd made the payments. He had both his credit card and mobile in his possession.

Halifax refused Mr R's claim for a refund, and Mr R complained. He told Halifax that his other bank, and his friends' banks, had all provided refunds. Halifax still didn't agree to refund Mr R. In Halifax's final response letter on 11 April, it said that it couldn't establish any point of compromise (a way in which someone else might have obtained Mr R's details). Halifax said that it had also considered whether the transactions could be challenged under the card scheme's regulations. But this wasn't possible because the disputed amounts weren't duplicates, but were all for different amounts and had been authenticated using the card's chip and Mr R's PIN.

Mr R wasn't satisfied and contacted this service. He said he'd been told the card machines were old which was why the amounts didn't show. He said there were threatening big men making threats, and on one occasion at the end of the night he'd had pepper sprayed in his eyes. When Mr R got home, he read that this happened a lot, and there were gangs controlling clubs and exploiting visitors. Mr R said he'd lost a lot of money, and he felt Halifax wasn't believing him because of the nature of the bars and clubs involved, but nothing of the sort had happened. He asked our investigator to read the article in the paper. Mr R said he wanted an apology, a refund of the money, and interest.

Our investigator didn't uphold Mr R's complaint. She said Mr R had authorised the transactions himself. Neither the amounts nor the timings of the transactions would be unusual for someone who was away, so she couldn't say Halifax should have noticed something wasn't right and should have contacted Mr R before letting the transactions through. She also noted that she hadn't been given any evidence of Mr R reporting the transactions to the police, or getting medical advice for the pepper sprayed in his eyes.

Mr R didn't accept this. He said Halifax's money was insured and his was not, and he found it disgusting. Mr R didn't agree that the transactions could pass as normal activity, because they took place late at night abroad. Mr R said he'd have to pay a lot of interest. He said he hadn't attended a hospital as his eyes had been washed out with water in a nearby shop. He

hadn't spoken to the police because the tour guide had said the police wouldn't do anything and were known to take part in these activities. Mr R asked for an ombudsman's 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.

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them.

The regulations say that consent must be given in the form, and in accordance with the procedure, agreed between the payer (Mr R) and the payment service provider (Halifax). It's agreed that the disputed payments were carried out by Mr R using his card and PIN to make the transactions. So he used the form and procedure for making payments. This means that he gave consent to the payment transactions.

Even if Mr R hadn't accepted that he'd made the payments himself, it would have been necessary to see how someone else could have obtained Mr R's card and security details without Mr R being aware. For example, there are 10,000 possible combinations of a four-digit PIN, so it couldn't be guessed.

I realise that Mr R said he wasn't aware of the amounts, and was forced to make the payments. But the regulations set out that the customer doesn't have to be fully aware of the details of the payment at the time they completed the procedure for giving consent. And if a customer has been coerced into making a payment, or deceived about the purpose or amount of a payment, it doesn't automatically make the payment unauthorised. So this means that Mr R was liable for the payments, because he authorised them, using the genuine card and correct PIN.

The payments wouldn't be unusual for a customer in a bar abroad, either in the amount or in the time of night when they happened. So I don't consider Halifax should have blocked the payments and stopped them going through.

I recognise that when Mr R got home, he said he saw newspaper articles saying that it happens a lot that people in bars abroad are forced to make payments. He then complained to Halifax, and he said that his friends got refunds from their banks, and he got a refund from another bank too.

But I take my decision on the circumstances of an individual case, not on newspaper articles or other people's cases. Here, Mr R didn't go to the police, or provide any evidence to show that he had medical attention after the incidents, which happened in two different bars. He also made other payments to the same bars which he said were genuine payments. And, most important, he authorised the payments himself, using the genuine card and correct PIN. So I find that Mr R is liable for the payments, and Halifax doesn't have to refund him.

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 R to accept or reject my decision before 6 October 2023.

Belinda Knight
Ombudsman