

The complaint

Mr J complains that Bank of Scotland plc trading as Halifax declined a payment for an Electronic Travel Authorisation (eTA) whilst abroad.

What happened

Mr J was travelling abroad and has explained that his return route was due to transit via Canada.

On 2 November 2022, whilst preparing to return home, Mr J attempted to purchase an eTA that would allow him to take the return flight, using his Halifax account to make the \$7 payment. But the payment wasn't authorised by Halifax and Mr J has explained that, as a result, he had to book an alternative flight at a substantial cost.

Mr J complained to Halifax and it issued a final response on 21 November 2022. Halifax said Mr J's account had initially been blocked on 25 October 2022 but they'd been removed after he made contact. Halifax said another transaction was blocked on 1 November 2022 but that Mr J's card was still active. On 2 November 2022 Mr J attempted to make an online payment for the eTA but it was declined by Halifax's systems. Halifax apologised for any inconvenience caused and offered Mr J £150. In a follow up final response, Halifax said it would consider covering the additional costs Mr J incurred and paid him a further £40.

Mr J referred his complaint to the Financial Ombudsman Service and it was passed to an investigator. Mr J said he wanted Halifax to cover the cost of the flight he'd had to book after being unable to pay for the eTA. Halifax provided further comment on whether it was willing to cover Mr J's flight costs. Halifax confirmed it wasn't willing to do so and pointed out that guidance provided by the Canadian government says the eTA should be applied for at the point of purchasing the flight, not immediately before travel.

The investigator reviewed Mr J's case and asked Halifax to increase its award from £150 to £300 as they weren't satisfied it had removed blocks from his account. But the investigator didn't think it was fair to ask Halifax to cover Mr J's flight costs given the timing of his attempt to obtain the eTA.

Halifax agreed to pay the increased settlement but Mr J asked to appeal. As a result, his complaint has been passed to me to make a 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.

Halifax has confirmed it applied an account block whilst Mr J was abroad as the transactions he attempted appeared suspicious. But Mr J contacted Halifax and confirmed the attempts were genuine. As our investigator has said, it appears from the business file that the block may not have been removed after Mr J made contact. And I understand that Mr J's view is

that the payment would most likely have gone through if his account had been operating as normal.

Our investigator increased the award to reflect the distress and inconvenience caused to Mr J but didn't ask Halifax to cover the cost of Mr J's replacement flight. I've also considered whether it would be fair to tell Halifax to compensate Mr J for his flight costs. But I think Halifax makes a reasonable point when it refers to the eTA guidance provided by the Canadian government online. The guidance says the best time to apply for the eTA is before the flight is booked. In my view, that guidance is likely to be provided to ensure the eTA can be authorised before the cost of a flight is incurred by a traveller. Halifax claims that if Mr J had made eTA arrangements earlier, any issues could've been resolved in time for his flight.

Whilst I agree there does appear to be evidence of an unresolved account block by Halifax, I think it makes a reasonable point when it says the timing of Mr J's eTA application left no room to resolve any unexpected problems. Mr J's told us he booked his flights the day before he travelled. But it appears to me there was reasonable time to make the necessary arrangements before the date of travel. In the circumstances of Mr J's case, I haven't been persuaded it would be fair to tell Halifax to cover the cost of the replacement flight.

Halifax initially offered Mr J £150 and paid him an additional £40 in respect of the way his complaint was handled. But the investigator awarded a further £150 in recognition of the distress and inconvenience caused to Mr J. I've considered what Mr J's told us about his experiences and the impact of the issues raised. Whilst I haven't been persuaded to award flight costs, I agree an increase in the compensation for the distress and inconvenience caused is fair. And I'm satisfied that a further £150 taking the award to £300 (excluding the £40 paid in respect of complaint handling) is a fair and reasonable reflection of how the issues raised impacted Mr J. I'm very sorry to disappoint Mr J but I haven't found grounds to increase the award further.

As I'm satisfied an award of a further £150 is a fair and reasonable way to resolve Mr J's case I'm going to proceed on that basis and uphold his complaint.

My final decision

My decision is that I uphold Mr J's complaint and direct Bank of Scotland plc trading as Halifax to settle by paying him a total of £300 for the distress and inconvenience caused (less any compensation already paid outside of the £40 complaint handling award).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 September 2023.

Marco Manente
Ombudsman