

The complaint

Mr C complains Bank of Scotland Plc trading as Halifax allowed a second payment to be taken from his credit card for a holiday.

What happened

On 12 January 2023 Mr C booked a holiday with a company I'll refer to as T. The payment for this was £4,163.36, and Mr C authorised this by inputting a security code he was sent by Halifax. Shortly afterwards, Mr C received notification he was close to his credit limit – and when calling Halifax, said he found out it's because T had taken a second payment for £4,136.36. Mr C questioned Halifax on this and was told to talk to T as it was nothing to do with them. Halifax thought T had taken two payments, but when Mr C spoke to T they said they'd only taken one.

Mr C says it became clear he was on his own as Halifax weren't interested in helping him get back the second payment. He said ultimately the second payment was never actually taken from his credit card, but questions whether things would have been the same had he not followed this issue up.

Halifax said they're sorry he was unhappy T attempted to take a second payment. Halifax explained they follow the card providers rules, and these say they're only able to dispute a payment if it's actually taken from the account. Halifax said they have no control over a company attempting to take a payment twice. They added when they approve a transaction this is added to Mr C's account as a pending authorisation to make sure he's got enough funds available for the transaction. And the pending authorisation will remain on the account until the company, takes it, or make them aware the transaction won't complete. Halifax said they wouldn't know if the transaction is going to be taken by the company or not, but the second attempted payment had dropped off and was never taken.

Unhappy with this Mr C asked us to look into things. One of our Investigators did so, but overall didn't think Halifax had made any errors.

Mr C didn't accept this. In summary he felt Halifax were responsible and said he was disgusted at the way he was treated. So, the complaint's been passed 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 think it's important to explain up front our role is to look into a complaint, assess what financial loss if any has occurred, and award compensation where appropriate. I can't generally require financial businesses like Halifax to fundamentally change their processes for processing payments nor do I have the power to review their systems. I'm required to base my outcome on the evidence provided by both parties and reach a fair and reasonable outcome.

Mr C's complaint is that a second payment was seemingly authorised on his account without his permission and he thinks there is a security flaw in Halifax's systems.

Having considered Mr C's complaint I won't be upholding it which I know will be a disappointment to him. I'll explain why.

I do understand Mr C believes there is a security flaw in Halifax's systems, but I'm not satisfied that's a fair explanation for what actually happened. It's common practice for payments to show up as pending authorisation for the reasons Halifax have said – to make sure someone has enough funds to make the payment. In Mr C's circumstances, two transactions for the same amount from the same merchant were due to debit his credit card account. One of these ultimately did, and one didn't. This second payment was pending authorisation. Generally, when a payment is marked as pending authorisation like Halifax have said, it's because the merchant has applied for the payment but not yet taken the actual funds.

In Mr C's circumstances, I can't reasonably say Halifax have done anything wrong, as I'm not satisfied an error has occurred by Halifax which has led to this situation. Without a detailed and in-depth analysis of Halifax's systems, which is beyond my remit as I can't interrogate any financial businesses systems, I'm left to decide on what I think is more likely than not to have happened. Here, it seems to me it's more likely than not Halifax had no input in to the second transaction being attempted to be made. I do understand Mr C spoke to T, who said they didn't try and take a second payment, but I'm only able to assess this complaint against Halifax.

In respect of raising a dispute what Halifax have explained to Mr C about their ability to so is correct. A transaction can't be disputed until it's actually been taken from the account. I realise this left Mr C in a difficult position, as he didn't know if this second payment would be taken, but I can't say Halifax did anything wrong in not disputing the payment on the basis it'd not been taken from Mr C's account when he was in contact with them.

It's clear Mr C feels quite strongly that had he not pursued this matter then the second transaction would have debited his account. I can't categorically say that's incorrect, but I think based on all the information I've got the second transaction would likely have dropped off anyway. So, overall, I can't uphold Mr C's complaint as I can't find Halifax have made an error.

Finally, I've noted Mr C said Halifax offered him compensation when he was speaking to them on the phone. But, they didn't do so in their final response letter, so if Mr C now wished to accept any compensation payment Halifax have offered he may wish to contact them directly.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 December 2023.

Jon Pearce
Ombudsman