

The complaint

Mr N complains Bank of Scotland Plc trading as Halifax declined credit card transactions and communicated poorly on more than one occasion when contacting them regarding this. Mr N is also unhappy about how his complaint about this was dealt with.

What happened

Mr N has said on 25 February 2023 he attempted to carry out two transactions and both were declined. Further transactions were declined when he was abroad. Mr N asked Halifax's chat function why the transactions had been declined. Initially, he was told there was no reason. Then, after reiterating his request, he was repeatedly asked if he could retry the transaction – when all Mr N wanted was to know why the transactions had been declined. Mr N was then told his transactions had a decline response from Banknet. Ultimately, a complaint was raised.

Halifax said the transactions were declined due to a policy rule. They said they can't stop this from happening as it's linked to the merchant terminal or the way they're trying to process the transaction. Halifax said the transactions were processed for 50p, but the value needs to be higher, or the transaction won't go through.

Halifax also said the transactions were turned down due to a Wallet Pay decline. They said they can't explain why the transactions were turned down for security reasons. They added when paying with Wallet Pay there are instances where you'd need to physically enter the credit card into the terminal and enter the PIN. Overall, they didn't uphold Mr N's complaint.

Unhappy with this, Mr N asked us to look into things. He explained he'd been told on the phone when speaking to Halifax transactions under £1 made by Wallet Pay would be automatically declined and this was stated in the terms and conditions. Mr N also said this would be explained in the letter he received – but it wasn't.

As part of our usual approach, we asked Halifax for their side of things. They said sorry for the incorrect information regarding transactions being automatically declined with Wallet Pay if they were under £1 and offered £50 in recognition of this.

One of our Investigators considered things, and overall felt the £50 offer from Halifax was fair. Mr N didn't accept this, 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 firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr N's complaint in less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my

informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

The crux of the complaint is whether Halifax have fairly declined transactions on Mr N's credit card when it's come up.

The terms and conditions of Mr N's card say:

B2.5 Can we stop you using your card or refuse to authorise a transaction?

And then goes on to list 15 different reasons why Halifax could potentially not allow a transaction to go through.

Amongst those terms and conditions it explains Halifax won't always be able to give advance notification that transactions will be declined. In addition, there isn't anything in the terms and conditions that requires Halifax to tell Mr N why they've turned down his transactions.

Generally, when a card payment is attempted (either directly, or through an application like Wallet Pay where you use your phone as the credit card) these can always be turned down for fraud prevention measures. I wouldn't expect banks like Halifax to necessarily disclose the reason either.

Mr N says he wants to know this, so he can figure out what transactions will go through, and what ones won't. This is precisely the information I'd expect Halifax not to want to be divulged, because although Mr N is a genuine customer, fraudsters would likely use this information to steal money. The purpose of fraud prevention is to ensure genuine customers don't have their money stolen.

I do completely appreciate it must be incredibly inconvenient to, at times, find you're unable to make a payment through your credit card. But, in the circumstances, I can't say Halifax are acting unfairly because they're doing this for Mr N's benefit – even if it doesn't feel like it when he's trying to make a purchase.

I do think Halifax's initial explanation when Mr N contacted their chat of this being a 'Banknet decline' is quite unhelpful. This isn't particularly descriptive and if Halifax are going to give a reason, which they may not always do, then it should at least make sense.

Similarly, the responses Mr N had from Halifax when he was discussing his complaint. Although complaint handling isn't a regulated activity, so I can't consider it in isolation – it can be ancillary to a regulated activity. Here, Mr N was seeking an explanation for his credit card payments being unsuccessful, and Halifax gave him wrong information. In the circumstances, I'm satisfied it's appropriate for compensation to be paid for this.

Halifax have offered £50 and said sorry for the misinformation. In the circumstances, I'm satisfied this fairly puts matters right and compensates Mr N for the inconvenience and distress he's experienced.

My final decision

For the reasons I've explained above, I partially uphold this complaint, and require Bank of Scotland Plc trading as Halifax to pay Mr N £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 4 January 2024.

Jon Pearce
Ombudsman