

The complaint

Dr L complains that Bank of Scotland plc trading as Halifax failed to collect the full balance on their credit card and that Halifax provided misleading information on its website.

What happened

Dr L has a Halifax credit card account. In early 2023, Dr L made a large purchase which left them close to their credit limit. Dr L therefore made some ad hoc payments to the account so that they could continue to use the card before Halifax collected the balance in full.

Dr L was unhappy to find that Halifax didn't collect the full statement balance. They say this led to embarrassment when trying to use the card. Dr L highlighted the sections of Halifax's website which they say is misleading but Halifax failed to acknowledge their concerns. Dr L wants Halifax to apologise for the incorrect information.

Our investigator didn't recommend that Dr L's complaint be upheld. In summary our investigator thought that the terms of Dr L's account allowed Halifax to reduce the direct debit payment if the balance is lower than the payment due to be collected. This was to avoid putting a customer's account in credit.

Our investigator understood why Dr L found the information on Halifax's website confusing but he didn't think it had made a mistake or acted unfairly. Our investigator thought Halifax's payment of £20 compensation to apologise for any confusion was fair.

Dr L is unhappy with the investigation outcome. They think that Halifax's clear statement that it will not reduce the direct debit payment comes after the payment details have been entered. So, it's reasonable for a customer to act on this information that the direct debit payment will be taken in full.

Dr L doesn't think that taking the full direct debit payment would have placed their account in credit. Dr L wants the ombudsman to consider whether the reductions to the direct debit payment were appropriate in the specific circumstances of their account.

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 appreciate that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern the Financial Ombudsman allow me to do so but this does not mean I have not considered everything that both parties have given to us.

I know that Dr L disagrees with our investigator's assessment of their complaint. But the purpose of my decision is not to address or answer every single point raised. Instead, my role is to consider the evidence and reach what I think is a fair decision.

I appreciate the screenshot that Dr L provided showing the ways to pay includes a statement

which says: "Please note: any additional payments will not reduce or stop your direct debit if you have one set up". However, the terms of Dr L's account say that a customer should not pay more than they owe when making any payments to the account and that if a customer pays by direct debit, Halifax may "reduce your direct debit payment if your balance is lower than the payment to avoid putting your account into credit".

Each credit card statement says that the customer can make one-off payments in addition to their direct debit and that in most cases, this won't reduce the direct debit for that month. But I think the inclusion of the word "most" means that there will be some cases where the one-off payments do impact the direct debit – as happened here.

I can see that Dr L's February 2023 statement includes two significant transactions from January 2023 which left their balance near the credit limit. The new balance to pay was just under £1,300. So, when Dr L made three payments of £200 each in February 2023, these reduced the balance by £600.

As I've said above, the terms of Dr L's account allow Halifax to reduce the direct debit "if your balance is lower than the payment...". Although Halifax goes on to say that it does so "to avoid putting your account in credit" – I don't think this means that the only circumstances in which Halifax can reduce the direct debit is if a customer's account will otherwise be put into credit.

In Dr L's case, the payments they made meant the statement balance was lower than the intended direct debit payment of around £1,270. So, I can't see that Halifax made a mistake when it reduced the direct debit to take account of the payments already made. I also can't see that this resulted in Dr L losing out financially, for example because they ended up paying interest on the balance because Halifax failed to take the full payment.

I understand Dr L is unhappy with the wording that he saw when making the payments. Halifax has apologised for any confusion and paid £20. As I don't consider Halifax made a mistake with the direct debit payment, I don't require Halifax to do more than it already has to put things right. I am sorry that this is likely to disappoint Dr L.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Dr L to accept or reject my decision before 19 December 2023.

Gemma Bowen
Ombudsman