

## **The complaint**

Mr A complains that the Bank of Scotland plc (trading as Halifax) incorrectly categorised a transaction on his credit report.

## **What happened**

Mr A says that he noticed his credit file was reporting a cash withdrawal on his Halifax credit card. In fact, he says, the transaction was a £0.25 charge he'd incurred on a payment he'd made. Mr A adds that this has caused his credit rating to go down.

Halifax says the transaction in question was for online trading which is classed as a cash transaction, as per a communication that was sent to Mr A in July 2021. As such, it says, the categorisation was correct, but it refunded associated charges as a goodwill gesture. Halifax cancelled future payments to the company and explained that Mr A can add a note to his credit file to clarify what happened.

Our investigator did not recommend the complaint should be upheld. He was satisfied that Halifax acted within the terms and conditions of Mr A's account.

Mr A responded to say, in summary, that Halifax, had, in effect, redefined the English language as his transaction did not involve cash and, therefore, it is unreasonable to categorise it as a cash withdrawal.

## **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.

With regard to the transaction in question, I am satisfied that it was for online trading. Although, as Mr A says, this was not a cash transaction, it falls under the category of "*Cash Equivalent*" within Halifax's terms and conditions which say:

*Using your available credit limit to make cash-related or cash-substitute transactions including:*

- *online trading such as share dealing or investments*

This type of transaction also attracts a fee, but I note that Halifax has refunded that which I find to be fair and reasonable.

So, although I understand Mr A's frustration, I can't conclude Halifax has done anything wrong and it is not obliged to amend Mr A's credit file.

**My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 September 2023.

Amanda Williams  
**Ombudsman**