

## **The complaint**

Mr M complains that he is unable to make online payments to his credit card account with Bank of Scotland plc trading as Halifax.

## **What happened**

Mr M holds a credit card account with Halifax. He experienced issues making online payments to the account from his current (debit card) account and had to make payments by telephone banking which he didn't want to do.

Mr M complained to Halifax. He said the issue was due to the online system and that Halifax had failed to resolve the issue.

In its final response, Halifax acknowledged that there had been poor service in responding to Mr M's complaint and offered compensation. It said the reason why the payments were failing was because Mr M wasn't completing the authentication requested by the bank he was making the payments from. Halifax said that Mr M should contact his own bank in relation to this.

Mr M wasn't happy with the response and brought his complaint to this service. He said he continued to receive letters from Halifax to make payment to his account, even though he'd raised a complaint with this service. Mr M said he wasn't prepared to make any more payments because he believed the issue was with the Halifax online system. Mr M said he wanted compensation for the time he'd spend trying to resolve things and he wanted the account balance written off.

Our investigator didn't uphold the complaint. He said that based on the evidence he'd seen, he was persuaded that the issue related to the payment authorisation process of the remitting bank. The investigator said that this was outside of Halifax's control.

Mr M didn't agree. He said his online banking with his debit card provider was working as it should and the issue was with Halifax's online payment system.

## **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 understand that Mr M feels very strongly about the issues he's experienced, and I appreciate that it's been a long process since he first raised his complaint with Halifax. I can see that initially there were delays in the bank responding to Mr M's complaint, and that Halifax gave Mr M different reasons as to why his online payments weren't successful. Halifax has acknowledged that it provided poor customer service to Mr M in this respect, and it has paid compensation of £60. I think this is a fair and reasonable amount for the poor service issues.

In its final response, Halifax has stated that the issue is due to Mr M not completing the

authentication requested by the remitting bank. Mr M doesn't agree that this is the cause of the problem. He says he makes online payments from his debit card provider without any issues.

I've reviewed the information provided by Halifax in relation to the failed payments. This shows that Mr M's payments were unsuccessful due to "authentication failure".

I appreciate that Mr M has said that he's able to make payments from his debit card provider's online banking system without any issues. The problem occurs when Mr M tries to make a payment via the Halifax online system. There's a difference between making payments using these methods. It's often the case that when making a payment on, for instance, a credit card provider's online system, that the customer's bank will require the customer to authenticate the payment. This is a security measure. There are different ways in which a payment can be authenticated but some of the most common include the remitting bank sending a one time pin (OTP) to the customer, or requiring the customer to authorise the transaction using the remitting bank's mobile banking app. Authentication procedures are dependant on the customer keeping the remitting bank up to date with their details i.e. mobile number as this is the method by which OTP's or authentication requests are commonly sent. If a customer doesn't respond to an authentication request (or if the authentication request isn't successfully sent to the customer) then the payment being attempted will fail.

Having reviewed all of the available information, I haven't found anything to suggest that there is an issue with Halifax's online payment system. I think it's more likely that there is an issue with the authentication request being sent by the remitting bank. I can see that Halifax asked Mr M to speak to his bank when it sent the final response, but I don't know whether Mr M has done so.

I understand that this isn't the outcome that Mr M was hoping for. However, having reviewed everything, I'm persuaded that it's more likely that the problems experienced by Mr M in making payments to his credit card stem from the authentication process of the remitting bank.

I haven't seen any evidence to suggest that Halifax has made an error here. So I won't be asking it to do anything further.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 April 2024.

Emma Davy  
**Ombudsman**