

The complaint

Mr C has complained that his card payment to an insurer was wrongly declined by Lendable Ltd, trading as Zable. It has offered him £75 compensation, but he feels this is unfair.

What happened

Mr C called his insurer to make a payment with his Zable credit card. Unfortunately, it was declined. Mr C confirmed with the insurer that there wasn't a problem at its end. He complained to Zable, which apologised for the inconvenience caused. In summary, it said its system declined it because of a potential risk of fraud with such a telephone transaction. It offered Mr C £75 compensation.

Unhappy with this response, Mr C brought his complaint to our service.

One of our investigators looked into what had happened, but was satisfied that the £75 offered was fair in the circumstances.

Mr C disagreed. In summary, he said that buying home insurance over the phone shouldn't be considered high risk. Further, the terms and conditions don't make provision for transactions over the phone to be restricted except in certain circumstances, which don't apply here.

The complaint's now been passed to me.

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.

First, I'd like to explain that although I've considered all of the submissions made, and thank the parties for them, I've not referred to every point that's been made. This isn't intended as a discourtesy, but it reflects the informal nature of our service. Instead, I've focused on what I consider to be the key points, in order to reach a fair outcome.

I understand that Mr C likely felt frustrated and embarrassed when his card was declined. He also feels he hasn't had clear answers. But, ultimately, preventing fraud is paramount, and here, Zable's system declined the transaction. I know Mr C feels the system is wrong, but I don't think it would be appropriate for me to interfere in a mechanism Zable uses to prevent fraud and protect its customers.

In any event, Zable has offered Mr C £75, which seems very reasonable. Further, I understand that Mr C was able to buy his insurance through other means, so the issue with Zable didn't prevent him from doing so.

My final decision

For the reasons given above, it's my final decision that the £75 offered by Lendable Ltd, trading as Zable, is fair. I leave it to Mr C to decide whether to accept it, if he hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 March 2024.

Elspeth Wood
Ombudsman