

The complaint

Mr H complains that his credit card from Bank of Scotland plc trading as Halifax (Halifax) was declined.

What happened

Mr H travelled to the USA on 24 June 2023 on a business trip. He went out a day early (at his own expense) to buy a 21st present for his daughter. When he tried to pay for the item at the jewellers, his Halifax credit card was declined. He didn't have another card to make the payment.

He called Halifax on that day. He called the bank again on 25 June 2023 and was told the card hadn't been activated, and that was then done. But by then, he hadn't got time to go back to the jewellers and buy the item, so he had a wasted trip. As it was, he then bought it at a higher price when he was back in the UK.

Mr H had been sent a replacement card in January 2023 – and it hadn't been used since that time.

Mr H complained. He said Halifax made an error as the replacement card he received had a sticker on it which said "Your card is ready to go" – so it didn't need activating as far as he was concerned. He said Halifax should compensate him for what happened – he says his hotel, meal and taxi expenses came to £271.87 and asked that Halifax pay those.

Halifax apologised for some bad service Mr H got on the phone when he called. They should've raised his complaint earlier, the calls were longer than they needed to be, and he didn't get a call-back as promised. For that, Halifax paid £100.

Halifax said the card was declined because it hadn't been activated since it was issued in January 2023. Following Mr H's calls, the card was activated.

Mr H brought his complaint to us. At first, our investigator said Halifax had done enough to settle his complaint. But then, when he took account of Mr H's evidence about the wording on the sticker, he upheld the complaint and said Halifax should pay another £100 compensation. Halifax agreed.

Mr H didn't agree and said Halifax should be held accountable for their mistake. He said he should be reimbursed for his expenses and for the time taken to sort matters out. So, Mr H's complaint has come to me to make a final decision.

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.

Firstly, I'm sorry that our service didn't get to the crux of Mr H's complaint at first – as we didn't take account of the sticker attached to the debit card.

And I can appreciate how frustrating Mr H's visit to the USA must have been – he wanted to buy his daughter her 21st present and made special arrangements to do that.

What became clear during our investigation was that Halifax did make a mistake when they issued the replacement card in January 2023. The letter sent with the card said: *“This is your replacement card....Your card can be used immediately, unless the card sticker says that you need to activate it.”* And – the sticker said: *“Your card is ready to go...”*.

Halifax admitted to us they'd made a mistake and put the wrong sticker on the card – it should've been a sticker which said *“Activate your card...online at XXX.”*

So, having established that Halifax made this mistake, I need to decide on what is a fair amount of compensation here. Halifax paid £100 for the poor service Mr H got when he called the bank from the USA – this was to cover his call costs and inconvenience.

Mr H says he should get £271.87 for out-of-pocket expenses – as he had a wasted trip. But as a policy our service doesn't meet direct costs of this sort, loss of pay or consequential losses. Rather, we determine awards for distress and inconvenience where a mistake has been made, taking into account the impact on a customer. We've set out our criteria at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

I consider what happened to be in the first category (up to £300) – Halifax made a mistake which caused some acute stress for a day or so, and there was some inconvenience.

And here – it's also reasonable for me to consider if Mr H could've reduced the impact on himself by using another card from another bank – it's likely he had other cards/accounts, as he told us he only uses his Halifax card for overseas purchases. And I can see the card hadn't been used since the card was issued in January 2023 – which suggests Mr H had other cards and/or accounts.

He says he wasn't carrying any other cards – but he was on a business trip, so I think it's fair to say a reasonable person would carry more than one plastic card (whether than be a credit card or a debit card) on such a trip.

Therefore, on balance, and taking all this into account, while I know Mr H will be disappointed, I think the compensation of another £100 (total £200) is fair for what happened. **(continued)**

My final decision

I uphold this complaint. Bank of Scotland plc trading as Halifax must:

- Pay compensation of £100 (in addition to the £100 paid) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 June 2024.

Martin Lord
Ombudsman