

The complaint

Mr G has complained about the way Bank of Scotland plc trading as Halifax dealt with his request for money back.

What happened

Mr G says he made a payment of around £135 using his Halifax debit card but at the same time his wife had made the same payment in cash. So he contacted Halifax who told him it would cancel the payment and return the funds within 24 hours. After not receiving the refund Mr G contacted Halifax and says it told him the agent had filled out the wrong form, so the money was released from his account. He says Halifax told him to call back in 15 days to dispute the payment. He says he was told he wouldn't need any supporting documentation.

After 15 days Mr G contacted Halifax and says he was told he'd need receipts to show his wife had made payment. Mr G was unhappy with how Halifax handled things and complained.

Halifax responded to say it was sorry it gave him false hope that he'd be guaranteed a refund. It highlighted it had already paid Mr G £50 so that he wasn't left without any money. It said it was unable to raise a chargeback for Mr G with the relevant card scheme without sufficient evidence. It also gave Mr G a further £50 compensation.

Unhappy with the response, Mr G referred his complaint to our service. Our investigator said Halifax didn't act unreasonably by not pursuing a chargeback because it didn't have enough evidence. She thought Halifax's offer for the way it handled things was fair. So she made no further recommendations.

Mr G didn't agree. He said the investigator hadn't taken into consideration the toll it took on his health and the debt he was in because of it. As things couldn't be resolved, the complaint has been passed to me to decide.

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'm considering whether Halifax has acted fairly and reasonably in the way it handled Mr G's request for getting his money back. Halifax says it was too late to stop the payment once Mr G had made it even though he contacted it straight away. In situations like this, Halifax can consider raising a chargeback.

The chargeback process provides a way for a card issuer to ask for a payment to be refunded in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme. It's not a guaranteed way of getting money back.

While it's good practice for a card issuer to attempt to chargeback where certain conditions are met and there's some prospect of success, there are grounds or dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. And something going wrong with a merchant won't always lead to a successful claim.

There is a chargeback dispute condition for when a payment has been made by other means. But it looks like a cash receipt would have been required as part of the supporting documentation (amongst other things). So as Halifax didn't have this, I don't find it was wrong it didn't pursue the chargeback as there wouldn't have been a reasonable prospect of success.

However, it's not in dispute things could have gone better for Mr G. I don't know exactly how that made him feel. But he's said it's taken a toll. I can imagine he was upset and disappointed at the loss of expectation. He thought things would be resolved straight away and they weren't. And he thought things would be resolved a couple of weeks later, but they weren't. So I find it's fair Halifax has offered him compensation. In the round, I think £100 is broadly fair. I've not seen the error caused a financial loss – Mr G explained the payment went to loans he had with another financial service provider. I'm therefore not going to direct Halifax to pay more.

One final thing I would say is that I appreciate Mr G says he tried to resolve things with the firm he paid but was unsuccessful. If he's raised a complaint, it might be something our service is able to consider. But, with regards to the complaint with Halifax, I think it's done enough to put things right.

My final decision

Bank of Scotland plc trading as Halifax has paid Mr G £100 compensation. I think this offer is fair in all the circumstances.

So my final decision is that Bank of Scotland plc trading as Halifax has done enough to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 October 2023.

Simon Wingfield

Ombudsman