

The complaint

Miss K says Lloyds Bank PLC (who I'll call Lloyds) were unreasonable not to continue to arbitrate a claim she made to them under the relevant chargeback scheme.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

I know it will disappoint Miss K, but I agree with the investigator's view of this complaint. Please let me explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

When something goes wrong and the payment was made with a debit card, as is the case here, it might be possible for the business to raise a chargeback claim.

The chargeback scheme isn't administered by Lloyds, it's administered by Visa, and they set the rules. Lloyds didn't have to submit a chargeback claim but I'd think it good practice for them to do so where the right exists and there is a prospect of success.

When Lloyds submitted the chargeback claim relating to Miss K's travel purchase, the merchant defended it. They explained that they had already refunded £16.48 in respect of delay compensation, and they were willing to assist Miss K with any outstanding payments. On that basis Lloyds didn't continue to arbitrate Miss K's claim.

I think that was fair because while I can see that the merchant didn't subsequently offer to provide a full refund of the outstanding money, they did offer a little over 202 Euros. That would seem reasonable given that they had explained the pass had been activated, and in those circumstances, their terms and conditions said:

"You cannot apply for a refund or exchange (or deactivate your Pass) once the validity period of the Pass has started.

Used your Pass at least once? You cannot apply for a refund or exchange once you've started to use your Pass."

I understand that Miss K is upset she wasn't informed about any deadlines but, on the basis of the information I've considered above, I don't think that she would have been likely to have been able to raise a successful claim if she had been better informed about deadlines.

Miss K is also concerned that she wasn't able to access Lloyds correspondence with her. That's something she may wish to take up with Lloyds as I can't see they've been given an opportunity to consider that. But with regard to her chargeback claim I don't think, for the reasons I've already given, that it would be fair to suggest any problems accessing correspondence would have been likely to have prevented Miss K raising a successful claim.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 12 February 2024.

Phillip McMahon
Ombudsman