

## **The complaint**

Mr B complains that Lloyds Bank Plc has treated him unfairly about a chargeback for some flights he booked through a website.

## **What happened**

In October 2022 Mr B used his debit card to book non-refundable connecting international flights through a website with airlines. Soon afterwards he was informed via email that the first flight had changed, making getting the connecting flight impossible. The email said he could apply for a refund if it was available. Later he received a second email offering alternative flights which involved a significant stay at the connecting airport which Mr B considered unsuitable. So he complained to the website but was unsuccessful in getting a refund. So he took his dispute with the website to Lloyds.

Lloyds raised a chargeback and temporarily credited the flight costs (over £1300) to Mr B. The website defended the chargeback saying it had provided the service it was meant to. It also pointed to the non-refundable nature of the tickets and that the agreed terms and conditions meant it wasn't responsible for the provision of the flights. So Lloyds reversed the temporary credit for the cost of the flights. Mr B felt this was unfair and complained. But Lloyds said it had treated him fairly. So Mr B brought his complaint to this service.

Our investigator looked into the matter. Overall, she didn't think Lloyds had acted unfairly. Mr B didn't agree. So 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.

Clearly Mr B feels that the website has treated him unfairly. But the website isn't within this Service's remit for the provision of services it provides. This decision is only about whether Lloyds treated Mr B fairly as Lloyds is in our remit for how it treats such disputes. I hope I've made this key distinction clear.

## *chargeback*

In certain circumstances, when a cardholder has a dispute about a transaction, as Mr B did here, Lloyds (as the card issuer) can attempt to go through a chargeback process. I don't think Lloyds could've challenged the payment on the basis Mr B didn't properly authorise the transaction, given that Mr B said he did make the payment.

The chargeback process is run by the card scheme and not Lloyds. The scheme has set out rules for how the dispute progresses allowing Lloyds and the merchant time to respond to each other as evidence is provided and considered. And if the chargeback is pursued to the end of the process it is the scheme that has the final decision on the dispute and not Lloyds. So Lloyds can pursue a chargeback on behalf of its cardholder as far as it can fairly and not get a refund.

Chargeback isn't a consumer right. However this service does consider pursuing a chargeback that has a reasonable prospect of success to be good practice. But a card issuer doesn't have to raise a chargeback or can stop pursuing the matter at any time if it doesn't feel the chargeback has a reasonable prospect of success.

Here Lloyds did raise a chargeback but on receipt of the defence from the website decided to not pursue the chargeback further. So the test here is did Lloyds treat Mr B fairly when deciding the chargeback no longer had a prospect of success?

The tickets purchased were non-refundable and the website terms and conditions made clear that it wasn't responsible for the provision of the flights. So when Mr B used the website, by agreeing to the terms, he, in essence, took on a risk around the flights if things went wrong.

The website's defence to the chargeback was that it did what it was meant to, it had provided the service of introducing the flights to Mr B and he'd booked the flights he'd chosen through its service. It pointed to the confirmation of the booking sent to Mr B as proof of it providing the service it was meant to. Lloyds pointed to this when it wrote to Mr B saying it was removing the temporary credit from his account.

Mr B points to the email he received in October 2022 which says he has the option of applying for a refund. Mr B suggests that he took this to mean he was actually due a refund. However the website's email makes clear *"We will apply for a refund from the airline on your behalf. If the airline approves the refund, we will return the funds to your original form of payment."* So it's clear there is no guarantee of getting any refund-it's clearly at the discretion of the airline. And bearing in mind Mr B bought non-refundable tickets and the website's position is clear in its terms and conditions, I'm not persuaded this email can be reasonably considered to be evidence of a refund being due.

Mr B points to a later email which provides alternative similar flights to that he'd booked, but these meant a significant amount of time at the connecting airport. I can appreciate Mr B not wanting that bearing in mind this was such an important occasion for him. Nevertheless the website isn't responsible for that decision not to take the alternative option which it had provided, and neither is Lloyds.

Mr B didn't fly on the tickets booked or accept the alternate arrangements. I appreciate the flight change made connection impossible. But he was offered alternate arrangements albeit after initially being told he could apply for a refund. As there was no refund available in these circumstances I don't see why Lloyds should refund him as I don't consider it did anything wrong in its approach to chargeback.

I've also considered all the circumstances here and the chargeback reasons available to Lloyds. In these circumstances I'm not persuaded on balance any of the chargeback reasons would have been successful. So I'm not persuaded Mr B has lost out due to Lloyds' approach to chargeback here or its decision not to pursue the chargeback further.

Mr B points to calls he had with the website. He says he was told he'd get a full refund. I don't think this makes a difference. The terms of what were agreed show no refund was applicable in these circumstances. So even if he was told he'd get a refund he wasn't due such a refund. So although the website may have said this to him it's clearly not the case. So I see no persuasive reason for Lloyds to make a refund that isn't due here.

Mr B points to a letter he received from an airline about his options in such a scenario. It notes that Mr B didn't book direct, with it and that his contract is with "*your responsible contractual partner*". It also notes he's entitled to options "*if available*". So I'm not persuaded this letter demonstrates any obligations on the website here outside of the agreed non-refundable terms. So when he says it says "*stating I would be entitled to a refund*" I'm not persuaded it says that.

Mr B says: "*This is a case which seems clear-cut: my flight was moved to where it was effectively cancelled. (the website) told me I had the option of requesting a refund. I requested a refund, which the airline points out I am entitled to when my flight is cancelled. (the website) does not provide me with a refund. I dispute the charge, as I have not received the service I paid for.*" I disagree with this summation of the matter. The flight wasn't cancelled it was moved making his connecting flight impossible for him to board. He was offered by the website the option of requesting a refund if it was available-which it wasn't. The airline did not say he was entitled to refund in the email Mr B points to-it said contact the party you've a contract with which wasn't the airline itself. And Mr B did receive the service the website offered-the advertisement and booking of flight tickets (not the provision of flights themselves).

Mr B points to "*the lack of responsibility that Lloyds seems to have in trying to get my money back from a vendor who could not provide the contracted service*". The website provided the contracted service, and it wasn't responsible for the flight changes. It offered an alternative which Mr B didn't accept. And no refund was due. So Lloyds did what it should.

Mr B has alluded to taking court action on this matter. As in all instances where parties suggest this I provide the same generic advice, that is to take independent legal advice so as to make an informed decision on the matters at hand.

I appreciate this isn't the decision Mr B wishes to read. But Lloyds have not done anything wrong in its decision not to take the chargeback further. This is because based on the facts of the case and the reasons given such a chargeback on balance didn't have a realistic prospect of success. So on balance Mr B hasn't lost out due to the decision made by Lloyds. As a consequence Mr B's complaint is unsuccessful.

### **My final decision**

For the reasons set out above, I do not uphold the complaint against Lloyds Bank Plc. It has nothing further to do in this dispute.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 November 2023.

Rod Glyn-Thomas

**Ombudsman**