

## **The complaint**

Miss S complains about the quality of some hair extensions which she purchased using her debit card supplied by Bank of Scotland plc trading as Halifax ("Halifax").

## **What happened**

In October 2022, Miss S purchased hair extensions from a supplier I'll refer to as "D" for £190. She paid for the hair extensions using her debit card which was issued by Halifax.

Miss S says one week after the purchase, she told D she was unhappy with the quality of the hair. She says she was told the hair extensions were advertised as real human hair, but she says after she applied the hair extensions, the hair would singe and burn when heat was applied to it. Miss S says she took the hair extensions out and returned them to D. But she said D told her it didn't offer refunds.

Miss S raised a claim through Halifax. Halifax provided Miss S with a temporary refund whilst it raised a chargeback claim. D disputed the claim and Halifax challenged this.

On 19 December 2022, Halifax contacted Miss S and said it couldn't continue with her claim, but asked her to let it know within 10 days whether she had any further evidence. It said if she didn't do this, the refund would be taken out of her account.

Miss S contacted Halifax in January 2023 and said her refund had been taken out of her account. She said she didn't provide further evidence because she had previously been told Halifax had enough evidence to dispute the chargeback.

Halifax issued its response to Miss S's complaint and said the chargeback was declined as D said the hair extensions were as described. Halifax apologised that it couldn't help further. However it accepted it had provided poor service when it told Miss S to send further information in, after she told it she didn't receive an email from it requesting further information. It said at this point it was already out of time to challenge the chargeback. It offered Miss S £40 in recognition of the poor service it offered.

Unhappy with this, Miss S referred her complaint to this service. She reiterated her complaint and said she was unhappy that Halifax had declined her chargeback claim.

Our investigator looked into the complaint but thought Halifax had handled Miss S's chargeback claim fairly. She also said she thought the £40 compensation Halifax had offered for its errors was fair.

Miss S disagreed. She said she received Halifax's emails requesting further information after the date it sent them. She said she had provided supporting information to demonstrate this.

Our investigator said the screenshots provided by Miss S didn't indicate what the content was and Halifax had provided evidence to show it sent Miss S the email requesting information on 19 December 2022. Our investigator said that even if Miss S had seen the email earlier, her outcome would remain the same as there wasn't any independent evidence to confirm the hair wasn't real human hair.

Miss S said she couldn't open the email when she tried because the code had expired. She said the supporting information she had sent showed the hair was of extremely poor condition.

As Miss S remains in disagreement, the case 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've read and considered the whole file and acknowledge that Miss S has raised a number of different complaint points. I've concentrated 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.

What I need to decide in this case is whether Halifax correctly raised a chargeback and whether it acted unfairly in any other way. If I think it has acted unfairly, I'll need to decide what's fair, if anything, to put things right.

### *Chargeback*

A card issuer can attempt a chargeback in certain circumstances when a cardholder has a dispute with a merchant – for example where goods never arrived or where goods are faulty and not as described. Before a chargeback can be initiated by a card issuer, like Halifax, it's generally expected that the cardholder has attempted to resolve matters with the merchant first.

Chargebacks aren't decided on the merits of the dispute between the cardholder and merchant, but rather they're decided on the relevant card scheme's rules. Chargeback isn't a legal right and there's no guarantee the card provider will be able to recover the money this way. In this case, the guidelines are set by VISA and Halifax have no power to change them.

When there is a dispute about goods not being as described, generally the rules of the VISA chargeback scheme require the cardholder to return the goods to the merchant. But the rules do allow for circumstances where the cardholder has attempted to return the goods to the merchant, but has been unable to.

When Miss S raised a claim to Halifax, she explained why she thought the hair extensions weren't as described and she said she had returned the hair extensions. However, D provided a response saying it only sold 100% human hair extensions. It also provided aftercare advice to keep the hair extensions healthy for a longer period. Halifax disputed this and said D had provided no evidence to show the hair extensions were as described and D now had funds from Miss S and the hair extensions. D disputed this and said there was no evidence that Miss S had returned the goods and it had proven the hair extensions had genuine human hair. It said the damage to the hair extensions was caused by Miss S's own negligence and failure to follow the correct aftercare.

Having thought about this carefully, it's unclear whether Miss S returned, or attempted to return the hair extensions to D or not. Miss S has said she did, but D has said she hasn't done this. The rules of the chargeback scheme required Miss S to return or attempt to return the hair extensions to receive a refund. But no supporting information such as a receipt, or correspondence between Miss S or D, to show the hair extensions being returned or attempted to be returned, has been provided.

In addition, D said its company only uses human hair extensions, but Miss S said the hair extensions she was provided were of poor quality. There is no independent information to dispute that the hair extensions provided to Miss S were not 100% human hair. Miss S said she has videos of the hair but this wouldn't independently confirm that the hair extensions provided to her were not as described.

Overall, I've reviewed the actions of Halifax when it raised the chargeback and the representment documents sent to Halifax by D. Having done so, I'm satisfied the chargeback was raised correctly by Halifax and I think it acted reasonably when it challenged the representment from D. As this was disputed by D, the VISA chargeback scheme was

exhausted and so, Halifax could do no more. So I don't think it needs to do anything further here.

*Did Halifax act unfairly in any other way?*

Miss S says she didn't receive an email from Halifax asking her to provide further information. However, Halifax has shown it sent Miss S an email on 19 December 2022. In this email, it asked Miss S to send it information within 10 working days. Miss S has shown a number of emails sent to her from 10 January 2023. However her email inbox also shows she received communication from Halifax before this date. And the screenshots Miss S has sent this service from 10 January 2023 simply say she has received a message from Halifax.

Miss S says she didn't think she needed to provide further information, as Halifax sent her a text message on 5 December 2022 explaining that D had defended the chargeback. However, Halifax said it thought it had enough details to continue to dispute the payment. Halifax said if Miss S didn't hear from it within 40 days, this would mean the merchant had agreed with her concerns. As Halifax has shown it contacted Miss S within 40 days of 5 December 2022, I don't think it has acted unfairly when it asked Miss S for further information.

On balance, as Halifax has shown it sent Miss S an email on 19 December 2022, I'm satisfied Halifax sent an email to Miss S and let her know she had 10 days to provide further information.

Having said this, when Miss S spoke to Halifax in January 2023 and let it know she hadn't received its email of 19 December 2022, Halifax accepted it incorrectly told Miss S to send further information despite being outside the chargeback timeframe. I'm satisfied it made an error here and I think the £40 it offered to Miss S in recognition of this error is fair and reasonable.

**My final decision**

Bank of Scotland plc trading as Halifax has already made an offer to pay £40 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Bank of Scotland plc trading as Halifax should pay £40.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 1 December 2023.

Sonia Ahmed  
**Ombudsman**