

The complaint

Mr W has complained about the way Lloyds Bank PLC dealt with his complaint for money back in relation to a payment he made to a travel company.

What happened

The circumstances of the complaint are known to both parties. So I won't go over everything again in detail. But, in summary, Mr W said he made a flight booking with a travel company and when he was going to make payment using his Lloyds credit card the web page shut off. He says he checked his email to see if the flights were confirmed and when he didn't see he'd received anything he made the booking again using his Lloyds credit card. He later found out he'd booked the flights twice. He said he didn't see the first booking confirmation because it had gone into a spam email folder.

The payment for the first booking was £175.61, and the second booking was £196.75. Mr W says this was because he had around £20 on his online account with the travel company which went towards the first booking.

Mr W contacted the travel company and asked for a refund. He said the webpage indicated he'd been timed out on the first booking. The travel company replied to say since both itineraries were sent it could only offer to convert one of the bookings to a travel fund. Mr W requested a refund because he wasn't sure he could use the travel fund before it expired. The travel company refused.

Mr W put in a claim with Lloyds which it declined, so he complained and referred his complaint to the Financial Ombudsman. One of our investigators looked into things but didn't make any recommendations.

Our investigator said the initial booking was completed, but Mr W didn't see this because the confirmation went to his spam email folder. She said she'd not been supplied evidence the travel company made an error. She said without evidence there'd been an error she didn't think it was unfair for Lloyds to consider the terms and conditions of the contract. She noted those terms said fares *are non-transferable, non-reroutable, generally non-refundable and may not be stored in a Travel Fund, but may be rebooked*. The terms went on to say the fares are only refundable upon the death of a passenger or certain medical cases.

Our investigator said the travel company had supplied two bookings which were available. So she couldn't see it breached the contract. She therefore said a chargeback wouldn't have had a reasonable prospect of success and neither would a claim under section 75 of the Consumer Credit Act 1974.

Mr W didn't agree. He said it's impossible to take a screenshot of what happened. But the fact two seats were booked on the same flight for the same passenger shows an error has been made. So he said it was only fair and decent for the travel company to refund one of those flights. He says he's not had an issue like this before where the web page has timed out.

As things weren't 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 Lloyds has acted fairly and reasonably in the way it handled Mr W's request for getting his money back. In situations like this, Lloyds can consider raising a chargeback or assessing a claim under section 75.

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.

I've first thought about the way Lloyds handled the chargeback claim. As I've said above, for a successful chargeback there needs to be a valid chargeback condition for a successful claim. I've looked at the list of chargeback conditions under which a chargeback may be processed with the relevant card scheme. There wasn't a problem with the actual travel service paid for so I don't think conditions relating to services not being as described or not being provided would be relevant. I don't think Lloyds could have used the condition relating to a credit not being processed because it's not in dispute the booking wasn't refundable in this scenario. There is a condition relating to the purchase transaction not completing, but Mr W has shown us two confirmations he received for the two bookings. So I don't think that situation is covered either.

Therefore, while I know he'll be disappointed, I can't see that Lloyds acted unreasonably by failing to pursue the chargeback further because there wasn't a valid chargeback condition that might've led to a successful claim.

I've next thought about Lloyds' liability under section 75. Section 75 is a statutory protection that enables Mr W to make a like claim against Lloyds for breach of contract or misrepresentation by a supplier paid by credit card in respect of an agreement it had with him for the provision of goods or services. There are certain conditions that need to be met in order for section 75 to apply. The relevant relationship between the parties seems to exist, and Lloyds hasn't said the booking was outside of the relevant financial limits.

The issue in this case is that I've not seen there's a breach of contract that Lloyds could be held liable for. While I appreciate Mr W didn't need two bookings, this doesn't give rise to a breach of contract. I've not seen evidence the booking timed out. And while I understand he's unhappy the travel company let him make two bookings under his name, and that he thinks this should have alerted it to there being a problem, I've not seen anything in the travel company's terms and conditions that say Mr W wasn't allowed to make two bookings, as unusual as that might be.

Taking everything into account I have to remember I'm considering a complaint against Lloyds and not the travel company. So I must consider its obligations as a provider of financial services – in this case the way it handled the chargeback claim and its liability for breach of contract under section 75. Even though I completely empathise with the situation

and can understand Mr W's frustration and why he thinks it would be fair and decent of the travel company to have refunded him, it doesn't mean I can direct Lloyds to refund him, where I've not got the grounds to do so. So I'm not going to direct it to take any action.

My final decision

My final decision is that I don't uphold this complaint.

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

Simon Wingfield
Ombudsman