

The complaint

Miss M complains about the way Bank of Scotland trading as Halifax handled her claim for a refund of a payment made using her debit card.

What happened

Miss M purchased three flight tickets for herself and two friends in February 2022 using her Halifax debit card. The flights were from the Ukraine to the UK, via Malta, and were bought through an online travel agent, who I'll refer to as 'K'.

Upon arrival at the airport, Miss M says they weren't able to check-in as they couldn't show proof of address in Malta for a 10-day quarantine. Miss M said she explained that the tickets she bought were to the UK, and they were only transiting in Malta with a connecting flight to the UK. Therefore, they weren't required to quarantine in Malta. However, they were ultimately refused check-in and their tickets were cancelled. Miss M said this was despite her having all the necessary COVID-19 documentation.

Miss M said she tried to contact K at the airport but struggled to get through. She says she had no choice but to buy tickets with another airline, which were difficult to find at the time. Unhappy with matters, Miss M raised a chargeback dispute with Halifax in May 2022. Then she registered her complaint with this service.

Halifax raised the chargeback in June 2022. It also issued a final response letter (FRL) to Miss M some weeks afterwards explaining that a chargeback had been raised and apologising for the delay in doing so. In July 2022, Halifax wrote to Miss M explaining that it was unable to continue with matters and that if she didn't respond within ten days, it would close her dispute. Halifax then appears to have issued a follow-up FRL in September 2022 outlining mostly the same information as the first FRL.

One of our investigators here reviewed what had happened. She acknowledged there was a delay in Halifax raising the chargeback, but it was still done within the required timeframe. She noted that K provided sufficient evidence to show that the services were still available to Miss M, and as such the dispute was declined. Ultimately, she couldn't see that there were grounds for a successful chargeback.

Halifax didn't dispute our investigator's findings, but Miss M did. In summary, she provided information which showed K had made an error when initially booking the tickets. Miss M also said Halifax didn't keep her updated with the claim, nor was she given sufficient opportunity to make representations. She said the only letter she received from Halifax in relation to her dispute was the FRL from June 2022.

Ultimately, an agreement hasn't been reached. So, the case has come 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.

If a customer paid for services using either a debit or a credit card, they can ask their card issuer to dispute the payment made for the service using that card. This process is referred to as a 'chargeback' and is governed by the relevant card scheme. In this case, Halifax has said the relevant card scheme here is Visa. It's important to note that there is no right to a chargeback. And, similarly, there is no obligation on a bank to attempt a chargeback if a customer asks it to. That being said, I'd expect a bank to attempt a chargeback as a matter of good industry practice where chargeback rights exist, and the dispute has a reasonable prospect of success.

The time limits for submitting a chargeback are set by the relevant card scheme and must be strictly adhered to. Whilst there was a delay in Halifax initially raising the dispute, it still did so within the relevant timescales, and I can't see that Miss M was impacted by the initial delay. I also note that Halifax apologised for the delay, which I'd expect it to do.

When Halifax raised the chargeback, it was defended by the merchant. Whilst Halifax didn't need to take matters further, here, it took the step to proceed to the next stage, known as 'pre-arbitration'. It did this because it wasn't satisfied that the merchant had done enough to sufficiently show that the service Ms M paid for had been received. When Halifax presented the claim again, the merchant however did provide enough information to persuade Halifax that the service would have been available to Miss M, had she provided the correct documents.

Here, Halifax decided not to move forward with the dispute. Based on the information it had seen at the time, I don't think that was an unreasonable decision for it to have made.

In response to our investigator's view, Miss M provided an email from K where it outlined it had made a mistake with the tickets it bought. This service asked Halifax whether this information would have changed matters, but Halifax said it's unlikely that it would have made a difference to the outcome here. And in any case, on balance, I'm not persuaded that Halifax saw the document at the time of the dispute. So, even if it would have made a difference, I'm not persuaded that Halifax was aware of it and it therefore couldn't have taken this into account at the time.

I've also considered that Miss M says Halifax didn't give her the opportunity to submit any evidence in support of the dispute and that she only received the FRL from June 2022 and no further updates. However, Halifax emailed Miss M in July 2022 to let her know the dispute had been unsuccessful and she had ten days to respond and provide any further information she wanted to. So, I think Halifax gave her sufficient opportunity to make representations. Therefore, even if K may have made a mistake, I'm not persuaded it makes a difference here.

Overall, whilst I empathise with Miss M's situation, I don't think Halifax has treated her unfairly. It follows that I don't uphold this complaint.

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 Miss M to accept or reject my decision before 20 September 2023.

Hana Yousef

Ombudsman