

The complaint

Mr T complains about how Lloyds Bank PLC dealt with a claim he made about a purchase on his debit card.

What happened

The parties are familiar with the background of this complaint so I will only summarise things briefly. I note Mr T is being represented in this complaint by a family member who was involved in the circumstances I describe below. So although I refer to Mr T throughout (as he is the eligible complainant) this should be taken to include the actions and submissions made by his representative.

Mr T booked a taxi to collect him from a music venue. Mr T says the taxi company ('the supplier') has unfairly charged his Lloyds debit card for the booking and he wants a refund.

In summary, he says:

- the taxi did not arrive in time so he had to take an alternative service; and
- when it did arrive it did not go the main entrance of the building anyway.

Mr T approached Lloyds for a refund. It raised a chargeback, but was not successful in getting the money back. Mr T raised a complaint about this which came to this service. Our investigator concluded that Lloyds had acted fairly in the circumstances.

Mr T does not agree. He thinks Lloyds did not do enough to help and were not interested in his other evidence against the supplier.

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 have considered the evidence submitted by both sides but I won't comment on it all – only the matters I consider central to deciding this complaint. This is not meant as a discourtesy to either party but reflects my role in resolving disputes informally.

I am sorry to hear about the experience of Mr T and his family member in respect of the plans for the journey home from the concert. However, Lloyds is not the supplier of taxi services here – so in deciding what is fair and reasonable I am considering its role only as a provider of financial services. That means it isn't liable more widely for the customer service provided by the supplier but it has ways to assist Mr T in getting his money back for a disputed transaction through card protections. As a debit card was used I consider the chargeback scheme particularly relevant here so it is this I have focused on in deciding if Lloyds has acted fairly.

Chargeback is not a legal right but is subject to the specific rules laid down by the card

scheme. In this case I understand the debit card is a VISA so it is these chargeback rules I have considered. Although I note that it is unlikely other chargeback schemes would change the findings here in any event.

Chargeback is not guaranteed to succeed and the rules can be quite prescriptive – but it is often good practice for a bank to raise one where there is a reasonable prospect of success.

I can see here that Lloyds did raise a chargeback for Mr T under the reason code relating to '*service not provided*' – which seems like a suitable choice here. However, it appears that the supplier robustly defended the chargeback and provided evidence showing that the taxi had arrived at the venue within 15 minutes of the pre-booked arrival time. It supported this with GPS and text message evidence and its customer booking terms and conditions showing that refunds are only payable if the taxi is more than 15 minutes later than agreed.

Because of the defence raised by the supplier Lloyds discontinued the chargeback. I don't think this was unreasonable in the circumstances because of the defence provided. And even if I accepted that Lloyds could have pushed things further – I am not persuaded that had it got all the way to arbitration (where VISA decide the dispute) it was more likely to succeed than not. I will explain why.

I understand Mr T choose to take another taxi when his taxi was late. And there appears no dispute that the taxi was late – however, it appears there is a 15 minute window built into the terms and conditions which customers agree to while booking to account for situations like this. So technically the service was received as agreed under the terms of the contract and the relevant requirements of the rules do not appear to be met for a successful chargeback.

I know that Mr T has added that when the car finally arrived it was waiting at the wrong entrance (goods rather than main entrance). However, I don't think this information changes things significantly because before this point Mr T had already left the premises in another taxi – which is an action consistent with cancellation (during a period there was contractually no refund entitlement). And in any event, I think it would be difficult to say the VISA card scheme would decide that arriving at a different entrance is a clear cut case of a service not provided here as the taxi came to the correct venue. Furthermore, this sort of misunderstanding can usually be clarified at the time and the chargeback rule requires customers and merchants to attempt to resolve things between themselves before raising a dispute under the scheme.

I do understand why Mr T (with his family member) choose to get another taxi and not wait any longer in the circumstances - particularly as they describe feeling unsafe outside the venue at the time. My findings are not intended as a criticism of the choice made to do this. But considering Lloyds role here I think it acted fairly in the way it handled the dispute, and even if it had done more I don't think this likely would have made a difference to the outcome.

I know Mr T is very unhappy with the supplier and believes it to be fraudulent and a scam. The outcome of the chargeback does not prevent Mr T from pursuing his dispute against the supplier by other means or reporting it to relevant agencies.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 December 2023.

Mark Lancod
Ombudsman