

The complaint

Mr B complains about the way National Westminster Bank Plc handled his claim for a refund of a credit card payment when his holiday was cancelled.

What happened

In September 2019 Mr B booked a package holiday through a travel agent, H. The holiday was to be supplied by Thomas Cook. Mr B paid H with his NatWest credit card. The holiday was ATOL protected, meaning that the Civil Aviation Authority would refund Mr B if the holiday company – Thomas Cook – were to go out of business.

Shortly after Mr B made the booking, Thomas Cook ceased trading and his holiday was cancelled.

Mr B contacted NatWest, seeking a refund of the card payment. The bank submitted a chargeback request to H, which had taken the payment, and credited Mr B's account. H contested the chargeback request because of the ATOL protection. NatWest accepted its position and re-debited Mr B's account.

Mr B suggested too that NatWest should consider his claim under section 75 of the Consumer Credit Act 1974. It said however that section 75 didn't apply, because the card payment was made to H, not to Thomas Cook.

In the event, Mr B received a refund through the ATOL guarantee in December 2019, although the payment was made to Mr B's current account, also held with NatWest. He says he wasn't aware of the refund for some time - indeed, not until after he'd referred his complaint to this service.

Mr B was unhappy about the way the bank handled the matter. He says that he was misled about the process, was advised not to send information about his account to progress the ATOL claim, was spoken to rudely and wasn't told by the bank about the payment. The bank accepted that it could have handled some aspects of the matter better than it had and paid Mr B £60 compensation. Mr B didn't think that went far enough and referred his complaint to this service.

One of our investigators considered what had happened but thought that NatWest had done enough to put things right. Mr B didn't agree and asked that an ombudsman review the case.

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.

Mr B says he was unaware when he referred the complaint to this service that he had already received a full refund through the ATOL scheme. He says that much of what happened could have been avoided if the bank had noticed the payment into his current account. That is, in my view, a surprising argument. It wasn't for NatWest to check payments into Mr B's account; it's likely too that Mr B provided those account details to ATOL and I

would expect ATOL to have provided updates to claimants. If they didn't, that's not the fault of the bank.

The chargeback request was declined because of the ATOL guarantee. I don't believe it was unreasonable of the bank to accept that and to re-debit Mr B's credit card account. It's quite likely as well that Mr B received a refund sooner under the ATOL scheme than he would have done through chargeback, which is administered by the card schemes.

I also agree with the bank's comments on a section 75 claim. For such a claim to succeed, the recipient of the payment and the supplier against which the customer has a claim must be the same legal entity or associates of each other. Here, Mr B's claim was against Thomas Cook but he paid H.

Finally, I've considered carefully the service issues that Mr B raised. Having done so, I'm broadly in agreement with the investigator. That is, I agree that the payment of £60 the bank has made is sufficient in the circumstances and I don't recommend that it be increased. I'm not persuaded that the bank advised Mr B to withhold information from ATOL; in any event, I think ATOL was best placed to know what information and evidence it required to progress Mr B's claim.

My final decision

My final decision is that I don't require National Westminster Bank Plc to do anything more to resolve Mr B's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 January 2021.

Mike Ingram
Ombudsman