

The complaint

Mrs P is unhappy with how John Lewis Financial Services Limited ('JLF') responded to her dispute about a service she had paid for using her JLF credit card.

What happened

As part of a holiday booking Mrs P used her JLF credit card to pay an airline for pre-booked seat reservations.

Mrs P made the booking in November 2019 and was due to travel in April 2020. However, due to the Covid-19 pandemic her flights were cancelled.

Mrs P initially had difficulty getting a refund for the seat reservations directly through the airline, so she went to JLF for help.

Mrs P eventually got a refund directly from the airline. However, she was unhappy with how JLF responded to her claim. In summary, she thought the service was poor and unresponsive. She felt that JLF could have done more for her.

JLF says it was unable to raise a chargeback for Mrs P as she didn't send it all the documents it needed to do so. However, it did pay her £25 compensation for providing an incorrect email address to send documents.

Our investigator upheld Mrs P's complaint about JLF. In summary, she said that JLF could have raised a chargeback with the information it had, and JLF could have given Mrs P better customer service. She awarded Mrs P £100 in compensation.

JLF did not agree with this. In summary, it says that it never raises a chargeback without paperwork and in the past it has lost claims for doing so. It says to proceed with the chargeback it would need certain documentation like the terms and conditions of the supplier.

Because the parties did not agree on a resolution I have been asked to look at everything again and make a final decision.

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.

In considering what is fair and reasonable I have thought about what JL could have done to help Mrs P get her money back for the cancelled service she paid for using her card. One of those things would have been raising a chargeback.

The chargeback scheme is voluntary, and it isn't something that JL has to do. However, there will be times when it is good practice to raise a chargeback, so I have thought about the particular circumstances here and what would have been reasonable.

I can see that Mrs P filled out a JLF dispute form in April 2020 which made the basis of her dispute clear - that the service she had paid for was no longer available. She ticked the dispute reason that she had 'not received the goods or services' which also confirmed that she had contacted or attempted to contact the merchant without success. She wrote that the holiday was cancelled on 18 March 2020 and included the sales receipt as requested by the form.

With the particular scheme rules in mind it appears that '*Goods or Services Not Provided*' would be the appropriate chargeback reason code under consideration here. However, JLF decided not to raise a chargeback until it had certain additional information from Mrs P.

By late July (in response to JLF's request) Mrs P had provided even more information including written confirmation from the travel agent that the flights and accommodation had been cancelled.

However, despite this JLF has said that it didn't have enough to proceed with the chargeback. In particular it did not have the relevant terms and conditions. It has referred to the specific requirements of the chargeback scheme rules to justify this decision, so I have looked at these. However, after doing so I cannot see a requirement for terms and conditions to be provided in respect of the reason code applicable here. It says that a description of the cardholder's complaint in sufficient detail '*to enable all parties to understand the dispute*' is required. I think what Mrs P had provided met this requirement. The facts of the dispute were fairly straightforward, and it was the supplier that cancelled the service, so Mrs P had a valid and strong claim for getting her money back. I don't think JLF were acting fairly in delaying her claim here and insisting on more documentation before presenting the initial chargeback.

As a result of what JLF did here Mrs P ended up getting frustrated and going back to the airline for her money. It refunded her in early 2021. But I think it was likely the chargeback would have succeeded had JLF raised it sooner. And had JLF acted differently Mrs P could have avoided the additional inconvenience of chasing up the airline for the refund.

I have considered the other aspects of the service JLF provided. I think that the pandemic and the unprecedented challenges it brought contributed to Mrs P not getting responses as timely and as tailored as they should have been. But even taking that into account I think JLF could have done better here, particularly in actioning the chargeback and keeping Mrs P more updated about the disputes process.

I have thought about appropriate compensation here. I also note that JLF has already paid Mrs P £25 for giving her the wrong email address. All things considered I think the £100 recommended by the investigator is a fair and reasonable amount to put things right here.

Putting things right

JLF should pay Mrs P compensation for the unnecessary distress and inconvenience its actions caused her.

My final decision

I uphold this complaint and direct John Lewis Financial Services Limited to pay Mrs P £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 11 May 2022.

Mark Lancod
Ombudsman