

The complaint

Mrs G is unhappy how TSB Bank plc (TSB) handled her request for help to recover money following the changes made to her holiday.

What happened

Mrs G booked a week's holiday for her and her husband in February 2020. She used an online agent, who I'll refer to as O. The holiday was scheduled for October 2020. Mrs G arranged to pay for the trip in pre-arranged stages, and the first two payments in February and March 2020 were paid using a different bank's credit card. The third payment she made was in April 2020 and was for £351.71. Mrs G used her TSB credit card for this payment.

In mid-August 2020 Mrs G received an email from O significantly changing the details of her scheduled holiday. O told her that the original hotel wasn't available for the dates selected, and they had chosen a different hotel on the other side of the island for her. The changes weren't acceptable to Mrs G and she tried to contact O without success.

Worried about this, Mrs G contacted TSB and asked them to stop any recurring payments being made to O. She was directed online to complete the process. Mrs G also continued to try and contact O throughout August to confirm she didn't want to accept the suggested changes to her holiday. She has told our service she only received one response from them, which was to defer her next payment until early September 2020.

During this time, Mrs G was also trying to contact TSB to ensure the recurring payments had been stopped. It was to her dismay that O took a further payment of £629.83 on 3 September 2020. Mrs G was further surprised a few days later when O took the remaining balance of £682.76 from her TSB credit card – 11 days earlier than it was due.

At this time, Mrs G raised a complaint with TSB. She was unhappy the payments had been taken by O when she had asked for them to be stopped. She was also unhappy as she felt TSB had misunderstood her original concerns and hadn't provided the correct information in their correspondence with her. TSB apologised to Mrs G and, on 22 September 2020, raised a chargeback claim. The three payments from her TSB credit card were credited back to her credit card account and an email was sent to Mrs G explaining the process in a bit more detail – including what could happen if O disagreed with the chargeback claim. In response to her complaint, TSB accepted they had given Mrs G some incorrect information when she had first contacted them to talk about the situation, and they credited her account with £50 compensation.

O did dispute the chargeback claim, and TSB informed Mrs G of this in early November 2020. At this point they asked Mrs G for any further comments she wanted to make. Mrs G felt the information provided on O's reasons for dispute were incorrect and she pointed this out to TSB. She didn't hear anything from TSB for a month. They then emailed her to let her know they had defended the chargeback claim against O. They again explained to Mrs G the timeframes involved, and that O could disagree again.

Mrs G wasn't happy with this and brought her complaint to our service. During her review of

the complaint our investigator established that the second representment of the chargeback claim had been successful and the three payments hadn't been re-debited from Mrs G's credit card. Whilst our investigator felt this was positive, she did think TSB should pay more compensation to Mrs G for the way the initial enquiries had been handled and how some incorrect information had been passed onto Mrs G. She asked TSB to pay a further amount of £100, bringing the total compensation paid to £150. TSB accepted and credited this amount to Mrs G's account.

Mrs G originally accepted this too. But on reflection she felt she should be entitled to more compensation as she had been caused anxiety throughout the process.

As Mrs G didn't accept, it's 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.

Mrs G and TSB have confirmed that the chargeback amounts credited to Mrs G's account in September 2020 haven't been challenged again by O, and the credits remained on the account. As Mrs G has had all the payments made to O credited back, I don't need to consider that aspect. TSB have also accepted that they didn't provide Mrs G with the service she was entitled to expect, and they have paid Mrs G the total amount of compensation recommended by our investigator. All I need to decide on is if the amount of compensation paid is fair. And in this case, I'm satisfied it is. I'll explain why.

There are different ways that a bank can assist customers who have had issues with goods or services not being provided. In some cases, a bank may be able to request a refund from the supplier through the chargeback scheme. This is a way in which payment settlement disputes are resolved between cardholders and suppliers/merchants. They are dealt with under the relevant card scheme rules. In certain circumstances the process provides a way for TSB to ask for a payment Mrs G made to be refunded.

There are no obligations for a card issuer to raise a chargeback when a consumer asks for one. But I would consider it good practice for a chargeback to be attempted where the right exists and there is a reasonable chance of success.

When a chargeback is raised, the scheme allows a given period of time – usually around a month – for the supplier to reply to say whether or not they agree to the refund. And when a supplier does defend a chargeback, this can lead to further representations by the cardholder's bank. The process then allows for further representations to be made, if parties do not agree for the issue to be decided by the scheme in a process known as arbitration.

Mrs G has said that she has been caused sleepless nights and a lot of anxiety by TSB's actions. I'm sorry to hear this has been the case. But I have to consider their communication with her and whether I'm persuaded it was reasonable. And I'm satisfied TSB gave Mrs G the correct information once the chargeback claim had been raised for her in September 2020. TSB explained to her that O may disagree with the chargeback claim, which happened in this case. TSB also explained the timeframe involved for O to do this, and the timeframe in which their second representment could be challenged. That is something I would expect TSB to do to ensure Mrs G was completely aware of what was happening. Because of that, I don't think it's reasonable for me to suggest TSB should pay additional compensation for any anxiety the correct information caused to Mrs G.

TSB have accepted the service given to Mrs G prior to the chargeback claim being raised fell

short of what she should have expected. And having looked at the evidence from Mrs G and from TSB it's clear she tried on many occasions to try and prevent the scheduled recurring payments from being taken. TSB's adviser should have also told her that O might still try and take the payments, even though Mrs G had advised she didn't want them to go ahead. Once the recurring payments in early September 2020 had been taken by O, TSB should have credited Mrs G with the amounts, as the payments were unauthorised at that stage. But I don't think not crediting Mrs G immediately has led to any financial detriment to her – the chargeback claim was raised in the same month the payments were taken and the funds have been available since then for Mrs G to make use of. TSB have now paid a total amount of £150 compensation for the miscommunication Mrs G received, and I'm satisfied that is fair for the distress that occurred from when she first spoke to them about the problem until the chargeback claim was raised correctly in September 2020.

I know this will come as a disappointment to Mrs G and she'd like more compensation to be awarded to her. But I've explained above why I won't be asking TSB to pay more.

My final decision

TSB Bank plc have already paid £150 to settle the complaint. I think that is fair in the circumstances.

So, my decision is that TSB Bank plc don't need to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 21 October 2022.

Kevin Parmenter
Ombudsman