

## **The complaint**

Mr P complains about delays in processing a chargeback request through Bank of Scotland plc, trading as Halifax.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my reasons for my 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.

I know it will disappoint Mr P, but I agree with the investigator's view of this complaint. Please let me explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

When something goes wrong and the payment was made with a debit card, as is the case here, it might be possible for the business to raise a chargeback claim.

The chargeback scheme isn't administered by Halifax, it's administered by Visa and they set the rules. Halifax didn't have to submit a chargeback claim but I'd think it good practice for them to do so where the right exists and there is a prospect of success. Here, a chargeback was eventually raised but Mr P complains about the way in which the business administered that chargeback.

There's no dispute that there were unacceptable delays and errors when processing Mr P's chargeback request. He raised the claim in May 2021 and wasn't credited until July 2021. Halifax also sought to take back the funds they had failed to return to Mr P.

I can see that Mr P had to call them on many occasions to chase and clarify his refund and there were also extensive emails. Mr P also explained to Halifax that the lack of a refund had caused financial hardship, although he hasn't provided any further evidence of that.

In those circumstances I think Halifax should compensate Mr P for the distress and inconvenience he's experienced.

## **Putting things right**

Halifax offered to pay Mr P £100 and they paid £4 into his account which was the interest they calculated Mr P could have earned had he not been deprived of the refund.

Our investigator didn't think that was enough and I'd agree, but I think £200 is sufficient.

The errors and delays would clearly have caused frustration and annoyance but once Halifax realised their mistake I can see they did offer compensation and consider the impact on Mr P of being deprived of the money for a few months. I don't think I have evidence of significant financial distress as Mr P hasn't provided that and the bank statements I've been able to review show there was a positive balance on his account during the period he was deprived of his refund. I can see Mr P has called frequently and emailed regularly but given the relatively small amount involved I'm not persuaded he necessarily needed to go to that amount of trouble. His complaint could have been escalated to this service if Halifax were unresponsive.

All told Halifax need to compensate Mr P for the distress and inconvenience he's experienced, and I'm persuaded they should therefore pay him £200.

## **My final decision**

For the reasons I've given above I uphold this complaint and tell Bank of Scotland plc to pay Mr P £200 to compensate him for the distress and inconvenience he's experienced. They may deduct any payment they may have already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 December 2022.

Phillip McMahon  
**Ombudsman**