

## **The complaint**

Mr D complains that Bank of Scotland plc trading as Halifax did not refund a payment of £849.20 he thinks may be fraudulent.

## **What happened**

Mr D purchased two return flight tickets for his wife and child from a company I'll call 'X' totalling £849.20. He did so using his Halifax credit card on 1 July 2023. When he did not receive a confirmation e-mail or anything containing the tickets, he first contacted X and then raised a chargeback claim via Halifax.

Halifax says that it raised a chargeback claim for Mr D on 17 July 2023. However, the merchant disputed this, meaning Halifax had to go back to Mr D for more information. Halifax texted and e-mailed Mr D on 15 August 2023 and explained there were strict timeframes in which he had to respond. Unfortunately, Mr D did not respond in the 14-day time-limit as he says he was on holiday at the time. Because of this, Halifax says it could not continue with the chargeback claim.

Mr D referred the complaint to our service as he felt it was possible X was a fraudulent company that had scammed him out of his money. Our Investigator looked into his complaint and explained that it was not clear if this was a scam, but in any event, the amount of the transaction was not so significant that they would have expected Halifax to intervene prior to it being processed. And they felt Halifax had followed the correct chargeback procedure, so they had not made an error when they did not pursue it. Finally, they did not think there was a successful Section 75 claim as Mr D had purchased the tickets for other people, meaning the supplier – debtor – creditor chain was broken.

Mr D disagreed with the outcome and overall, he felt no-one had really helped him during the whole process. In addition, he queried whether Halifax had text and emailed him for further information about the chargeback claim as he could find no evidence of this on his device.

As an informal agreement could not be reached the complaint has been passed to me for 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.

Having done so, I agree with the Investigator for largely the same reasons. And there is not much more that I can add that hasn't already been said.

On balance, I think it is unlikely this is a scam as I have seen evidence that X sent an e-mail to the address Mr D input when he purchased the tickets. Unfortunately, this e-mail address differs from the one he has since confirmed is correct. But in the interest of giving a full

answer to the complaint, I have considered if Halifax could have done more if this were a scam. And on balance I don't think they could have.

The amount of the transaction itself was not significant and does not stand out as unusual when compared to Mr D's regular account activity. So, I don't think Halifax missed an opportunity to have a conversation with Mr D prior to it being processed. And I don't think they made an error when they processed the payment with no intervention.

I've gone on to consider whether Halifax acted reasonably when it processed Mr D's chargeback claim. It should be noted that the chargeback scheme is voluntary and there is no guarantee of success. And the rules are set by the card issuer itself and not by the banks, such as Halifax.

I can see that Halifax raised a chargeback claim on Mr D's request, and they contacted X in a timely manner to explain he was disputing receiving the goods he had paid for. X responded and defended the claim, explaining that they had sent the tickets to the e-mail address provided during the purchase. Because of this, Halifax had 14 days to respond to the defence but needed more information from Mr D to complete this. They've provided evidence that they text Mr D's correct mobile phone number and e-mailed him. It's unfortunate that Mr D was unable to respond to this, but I can't hold Halifax responsible for this. And the card scheme rules can't be broken by Halifax. With this in mind, I don't think they made an error when they did not pursue the chargeback claim further.

I've finally considered whether Halifax could reasonably have raised claim under section 75(1) of the Consumer Credit Act 1974. A claim under section 75 must be for a payment for a single item that cost between £100 and £30,000, which Mr D's was. However, the agreement also has to be directly between the debtor, in this case Mr D, the supplier, in this case X and the creditor, in this case Halifax. However, because Mr D was purchasing tickets on behalf of his wife and child, that chain is therefore broken and the claim cannot be considered under section 75.

Having carefully considered everything available to me, I think Halifax has dealt with Mr D's complaint fairly and reasonably, and I don't direct it to take any further action to remedy it.

### **My final decision**

I do not uphold Mr D's complaint against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 8 March 2024.

Rebecca Norris

**Ombudsman**