

The complaint

Mr S complains about a decision taken by Bank of Scotland plc trading as Halifax (Halifax) to not raise a chargeback claim on his behalf.

What happened

In May 2023 Mr S made a purchase for a service using his Halifax Mastercard credit card.

In September 2023 Mr S contacted Halifax to discuss raising a dispute about two transactions he said he hadn't received the goods or services for.

Halifax told Mr S it could look to raise a chargeback claim about one of the transactions – a payment for £455. Halifax says Mr S agreed to send evidence following the call for the chargeback claim to be raised.

Mr S got back in touch with Halifax in November 2023 requesting an update on this chargeback claim. Halifax informed Mr S that a chargeback hadn't been made on his behalf as it hadn't received the information that had been requested. It informed Mr S that he was now outside of the card scheme's timescales for submitting a chargeback claim, but that he could raise a Section 75 Consumer Credit Act 1974 (S75) claim with it.

Mr S complained to Halifax as he said he wasn't made aware further information was required before it would make a chargeback claim on his behalf. Halifax issued its final response letter in November 2023 not upholding the complaint. It said it hadn't received any further contact from Mr S providing the information it had requested; and therefore, didn't agree it had made an error by not raising a chargeback claim in the absence of the evidence. As part of the complaint process Mr S sent Halifax copies of emails which he said were sent to support his chargeback claim; but Halifax identified these emails pre-dated his chargeback claim, and therefore concluded these couldn't have been sent in support of it.

Unhappy with Halifax's response Mr S referred his complaint to our service for review.

Our investigator considered the complaint and didn't uphold it. She concluded Halifax had reasonably set out to Mr S what information was needed from him in order for it to raise the chargeback claim on his behalf; and that he was aware he needed to provide further information before it would be raised. She also acknowledged that Halifax had provided Mr S with an alternative method to dispute the transaction, by raising a S75 claim. However, as Mr S declined this option, she didn't consider there was anything further Halifax ought reasonably to have done.

Halifax accepted our investigator's view; Mr S didn't. In summary he said Halifax should have kept him updated with the status of his chargeback claim rather than letting it lapse; and that in any event he believed the chargeback claim had been successfully raised. He also said he wasn't at any point advised he could make a S75 claim once it was apparent the timescales for raising a chargeback claim had passed.

Mr S asked for an ombudsman's review, so the complaint'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.

The information in this case is well known to Mr S and Halifax, so I don't intend to repeat it in detail here. My decision doesn't cover all the points or touch on all the information that's been provided. I'd like to assure both parties that I've carefully reviewed everything available to me, but I've focused my findings on what I consider to be the key points and facts relevant to this complaint. I don't mean to be discourteous to Mr S or Halifax by taking this approach, but this simply reflects the informal nature of our service.

Both parties agree Mr S contacted Halifax in September 2023 to raise concerns with transactions made on his Halifax Mastercard credit card. One transaction wasn't pursued, however a transaction made in May 2023 for a value of £455 was discussed with details of it noted by Halifax.

Mr S says he believed a chargeback claim had been raised on his behalf and that he was unaware he needed to present further evidence before this would happen, nor was he provided with details about how to provide further evidence in any event.

I've listened to the call Mr S had with Halifax where he was looking to raise the dispute in September 2023. When discussing the transaction of £455 the Halifax representative asked a number of questions, including the actions Mr S had taken to look to resolve the matter directly with the merchant, and what information or evidence Mr S had to support his claim that the service hadn't been received.

Mr S explained he hadn't had much success engaging with the merchant as it wasn't responding to his contact through various communication channels; but that he had evidence from a third party confirming the service he'd paid the merchant to conduct hadn't been completed. The Halifax representative explained Mr S needed to provide this evidence to support his claim, and gave him an email address during the call for the evidence to be sent to. I've heard Mr S confirm he would forward the information after the call.

I'm therefore satisfied it was reasonably clear to Mr S that further evidence was needed before a chargeback claim would be raised on his behalf; and I consider his comments confirming he would provide the evidence support this.

As our investigator set out within their view, chargeback is a voluntary scheme controlled by the card scheme operator to look to resolve some disputes between cardholders and merchants. When a financial business submits a chargeback claim it's bound by the card scheme operator's rules; and as a chargeback is an evidenced based process, I don't consider it unreasonable that Halifax requested evidence in support of Mr S' claim.

I say this because a customer must have first attempted to resolve their dispute directly with the merchant, before looking to make a chargeback claim. And, under the card scheme rules, supporting documentation is required to satisfy the conditions of the chargeback; in Mr S' case that he had engaged in the transaction being disputed, and that the goods or services weren't received. Without supporting documentation evidencing the service hadn't been provided, I consider it was reasonable for Halifax to consider there was little to no chance of a chargeback claim being successful. So, I consider it was reasonable for Halifax to request the evidence Mr S said he had supporting non-receipt of the service, before submitting a chargeback claim on his behalf.

I do consider during the call in September 2023 the Halifax representative could have explained to Mr S that under the rules of the scheme there are time limits for submitting a chargeback claim. And, a higher level of service could have seen Halifax follow up with Mr S when the information requested wasn't received within a reasonable time frame. But, in the individual circumstances I'm satisfied, as I've found above, that Mr S was reasonably aware he needed to provide further evidence before a chargeback claim could or would be raised on his behalf.

Although part of Mr S' testimony is that he wasn't aware he needed to provide further information in support of his chargeback claim, as part of Halifax's complaint process he did provide it with copies of emails and supporting evidence, suggesting he had sent it the information it had requested. However, on review of the evidence Mr S presented it appears to relate to correspondence sent to Halifax predating his chargeback claim, referencing a S75 claim. And another email sent on 20 November (with no year evident) is the same day Mr S contacted Halifax and raised his complaint about this chargeback claim not being raised. But by November 2023 Mr S was outside of the card scheme operator's 120-day timescale for raising a chargeback claim in any event.

As the time limit to raise a chargeback claim had passed Halifax says it made Mr S aware during the call in November 2023 that his claim could be considered under S75. So, Mr S still had an alternative method to look to recover the loss he says he suffered.

Mr S says Halifax didn't make him aware he could raise a S75 claim for this dispute during the call in November 2023, or at any other time. Halifax hasn't been able to provide the call from November 2023, but it has provided contact notes. While I don't doubt Mr S' recollection of events, the contact notes from the call set out that Mr S was informed that a claim under S75 could be considered, but that he declined to take this forward and instead asked for a complaint to be raised. On balance, given the documentary evidence available to me, I consider it more likely than not that Mr S was informed he could raise a S75 claim.

Halifax's contact notes show Mr S has raised multiple other chargeback and S75 claims, both before and after the dispute being complained of here; suggesting he has a reasonable awareness of the dispute options available to him. So, I consider, on balance, even if Halifax hadn't made Mr S aware of the option to raise a S75 claim, he was already more likely than not reasonably aware that this was an alternative method once the chargeback could no longer be submitted.

Taking all of the above into account I can't conclude Halifax made an error in its handling of Mr S' chargeback claim request; and it therefore follows it doesn't need to take any further action in resolution of this complaint.

My final decision

My final decision is that I'm not upholding Mr S' complaint about Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 March 2025.

Richard Turner
Ombudsman