

## **The complaint**

Miss V complains about how Metro Bank PLC ('Metro') handled a claim she made to it.

## **What happened**

The parties are familiar with the background details of this complaint – so I will simply summarise them here.

Miss V paid for flights from an online travel agent ('the supplier') using her Metro credit card but she is unhappy with how it acted when she made enquiries with it prior to the trip (because one of her party was unwell). She says:

- it told her she could get a full refund for cancellation but this wasn't the case – in fact it would only refund her the taxes for the fare if she cancelled; and
- it overcharged her for amending the tickets (which she decided to do in the end).

Miss V says that she made a claim to Metro but it did not give her the outcome she wanted. She is also unhappy with its customer service when it handled the claim. She said she had to chase the matter as it didn't provide her with updates despite her difficult personal circumstances at the time.

Our investigator thought the supplier had breached its contract with Miss V by overcharging for the flight amendment – but didn't think there was any other breach of contract or misrepresentation. She didn't think Metro had handled the claim poorly.

Metro agreed with the outcome. However, the matter was referred to me for a final decision as Miss V wanted more compensation. She said she wants a full refund of the additional amount she paid to the supplier to change the flights. She also re-emphasised the impact Metro's handling of the claim had on her. In summary, she considers it failed to support her during a difficult time in her life.

The matter has been passed to me to make a final decision on. During my handling of the matter I wrote out to Metro for more information in respect of its customer service. I will go into this in my findings below.

## **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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes informally.

I am sorry to hear about the difficulties Miss V has described with the flights she arranged, including the personal troubles she has experienced. It is worth noting here that my decision is only in respect of the actions of Metro here – so I am looking at how it fairly could have

assisted Miss V with the issues she brought to it as a provider of financial services. With that in mind (and noting that Miss V used her credit card to pay for the tickets and amendments) I consider the card protections of chargeback and Section 75 of the Consumer Credit Act 1974 ('Section 75') to be particularly relevant here.

To be clear - I know Miss V has subsequently had issues with her amended booking. But the complaint here is in respect of the claim relating to the original booking she made – and the initial amendment process. So I won't be considering what Metro's actions in respect of the more recent points.

## Section 75

Section 75 can in certain circumstances make a financial business liable for a breach of contract or misrepresentation in respect of an agreement a consumer has with a supplier of goods or services which they also financed using their credit card.

There are certain criteria that must be met in order for Section 75 to apply, relating to things like the cash price of the service, or the agreement between the parties. I consider those are met here so I have moved on to consider if there was evidence available to Metro to persuasively indicate the supplier had breached or misrepresented its contract with Miss V.

I can see Miss V booked the original flights through the supplier, and then she also paid it to change the dates of those flights when she had unexpected personal circumstances come up.

I know Miss V is unhappy that the supplier would not refund her for the initial booking when she considered cancelling it. After looking at the contract Miss V entered with the supplier, it appears any refunds for cancellations are governed by the conditions of the airline for the particular fare. So the supplier's refusal to refund Miss V in full is not a breach of contract by it if the airline does not agree the ticket is fully refundable. There is nothing here to indicate the ticket was fully refundable here (or the airline agreed to provide a full refund) so the supplier offering Miss V only her taxes back (should she cancel) would appear to be in line with the airline policy.

Miss V was frustrated that the supplier initially told her she could get a full refund. But that seems to be a customer service mistake rather than a breach of contract. And because it happened after Miss V entered into the contract for the initial booking (and was clarified later), it wouldn't be a misrepresentation either.

Furthermore, I know Miss V is upset by the general customer service she received from the supplier – and the number of enquires she made in order to get her ticket re-arranged. However, under Section 75 Metro is not responsible for general customer services issues experienced with the supplier. So that isn't something I can fairly say it should have compensated her for when handling the claim she made to it.

Overall, I don't think Miss V was contractually entitled to a full refund for the original tickets from the supplier. However, even if she was I also note that in the end Miss V chose to amend the booking and use that booking. So it would likely be unfair to refund her now in any event as she appears to have largely received the benefit of the service.

From what I can see from the terms and conditions of the airline – paying extra to change a ticket to new dates is normal and accounts for fees and fare differences. So it follows that the supplier requesting a change fee is not a breach of contract by it if that is what the airline has requested. However, I do agree that the supplier appears to have overcharged Miss V slightly when she changed her booking. This would not appear to be in line with the implied

term inserted into contracts by the Consumer Rights Act 2015 that it carries out its role with reasonable 'care and skill'. So in carrying out its role as travel agent the supplier put through a higher figure than it should have. Metro agrees with this so I don't consider it necessary to go into a lot of detail. Only to say that I agree that the supplier appears to have confirmed with the airline that the flight amendment costs would include a £100 per person change fee. But it appears to have charged her closer to £155 for this. This meant overall Miss V should have paid £1,360.80 rather than the £1,526.40 the supplier charged. This is a £165.60 difference which she should fairly get back. I have not seen persuasive evidence that the supplier overcharged Miss V more than this. So Metro should re-work her credit card as if she had paid the lesser amount, with any credit balance returned to her plus out of pocket interest from the date of credit balance to the date of settlement.

## Chargeback

Chargeback is another way which Metro could have assisted Miss V with her dispute. Chargeback is governed by the card scheme rules (in this case Mastercard) so I have taken these into account when deciding what is fair.

It appears that Metro didn't raise a chargeback here. I think it is arguable that it could have raised one for a wrong amount charged (in line with my reasoning above for Section 75). However, beyond that I am not persuaded there was a reasonable prospect of another chargeback succeeding here as I can't see what other wrongdoing there might have been in respect of the booking that would fit under a relevant chargeback reason code.

There might have been some customer service failings, but nothing which would be specific enough to fit under the chargeback reason for things such as a service not provided. And while Miss V has argued she was entitled to a full refund – I can't see persuasive evidence she was under the cancellation and change policy of the supplier and airline or from her booking information.

So, I don't think a chargeback would have likely recovered more than the amount Miss V is fairly owed in respect of the Section 75 claim. It follows that I think Metro is only fairly liable to pay out the difference in change fee I have discussed above.

## Customer Service

I agree with our investigator that Metro did not take an unreasonably long time to handle the claim. It appears she raised it around the middle of May 2023 and then heard back with an outcome in about a month.

However, Miss V has provided a credible account of the very difficult personal situation she was going through at the time, which was associated with the reason she changed the tickets in the first place. She has explained credibly that she told Metro about this situation. She says she didn't feel supported by it and the lack of communication led to further distress.

I wrote to Metro to get more information about the communication it had with Miss V when she raised the claim (and beyond), and what records it had of her personal circumstances/vulnerabilities, including any records for calls back and if they were fulfilled or not. However, it has not responded to date. Therefore, I am relying on the information I do have. Miss V has provided credible and compelling testimony – and in the absence of Metro's response I have no reason to discount it here.

I do have a call Metro provided earlier which appears to be where Miss V initially raised her claim. And I can hear she mentions the personal circumstances that have led to the claim to

the Metro operator. I can hear she wants to raise a Section 75 claim but the operator doesn't appear to know how to do that. I note the operator at one point promises Miss V she will be contacted by the relevant customer service team about it – but then she tells Miss V she needs to go into branch instead. It isn't very clear what is going to happen next and I can see how this would cause more confusion and distress than was necessary – particularly considering what Miss V was going through at the time.

I don't know about subsequent conversations and promises for call backs. But Miss V has provided credible testimony about how she didn't feel Metro supported her or got back to her to explain things – and Metro has not provided additional information to counter this.

I maintain that about a month to handle a claim is not a long time. But in the individual circumstances here I am persuaded Miss V told Metro about her difficult situation and her desire to have a Section 75 claim progressed. And, in the particular circumstances she could have received better information and support from it at the outset.

I have considered our scale of awards for distress and inconvenience. In doing so I note that mitigating Metro's actions are the fact that it did get her an outcome reasonably promptly, and that it wasn't ultimately responsible for the difficult personal circumstances Miss V was going through. However, I think that its customer service appears to have caused Miss V more than the level of distress and inconvenience you would expect in everyday life, and on balance I think it could have done more to support her. This is not a science but after carefully considering Miss V's testimony and our scale of awards (as detailed on our website) I think an additional £100 compensation is fair and reasonable for Metro to pay Miss V in addition to the refund I have already directed.

I know Miss V has indicated she wants a full refund of the change fee. However, I don't think that is fair here. My role is to look at things informally. If Miss V continues to feel strongly about the matter she can reject my decision and might wish to explore more formal avenues, such as court.

### **Putting things right**

Metro should put things right in accordance with my direction below.

### **My final decision**

Metro Bank PLC should:

- re-work Miss V's credit card as if the change fee transaction on 8 May 2023 was originally £1,360.80 and if that results in a credit balance it should refund this to her with 8% simple yearly interest calculated from the date of credit balance to the date of settlement; and
- pay her £100 compensation for the distress and inconvenience caused by its customer service.

Metro should provide Miss V with a certificate to show the tax it deducts from any interest award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 30 June 2024.

Mark Lancod

**Ombudsman**