

The complaint

Miss H complains about the way Barclays Bank UK PLC (“Barclays”) handled her request for money back in respect of a holiday she paid for using her Barclays debit card.

What happened

In May 2022 Miss H bought a holiday for her and her family from a supplier I’ll call L. She paid around £11,400 over two transactions using her Barclays debit card. The holiday took place in December 2022 for 11 nights.

Miss H said she experienced the following problems while on the holiday.

- One leg of her outbound flight was cancelled and by the time the airline arranged new flights, she missed a whole day of her holiday.
- Her transfer from the airport to the hotel did not arrive.
- Her luggage did not arrive until five days into her holiday.
- The hotel was substandard
- Her return flight was cancelled by the airline, she had to wait seven hours for a replacement and this took her to a different London airport to her original booking.

Miss H said upon her return from the holiday she tried unsuccessfully to get her money back from L. She asked Barclays to help her do this in January 2023. Miss H said Barclays told her it would raise a dispute and try to get her money back.

In March 2023, having not heard from Barclays, Miss H contacted it again. Barclays told her nothing had happened with her dispute and the time limit within which it could recover her money from L via a process known as chargeback had now expired. So, it said it couldn’t help her. Miss H complained to Barclays, but it re-iterated its position that it was now too late to raise a chargeback.

Dissatisfied Miss H referred her complaint to this service.

I issued a provisional decision earlier in March 2024 where I set out why I planned to uphold Miss H’s complaint in part. I said:

‘I’m looking here at the actions of Barclays and how it handled Miss H’s request for help getting her money back. While the actions of L are relevant, I also need to consider things like the chargeback scheme rules and Barclays’ own obligations to Miss H.

Miss H paid for her holiday using her debit card. With Miss H having clearly authorised those payments, the only realistic way Barclays could have recovered her money was via the chargeback process.

In short chargeback is a method by which a consumer's bank can recover money paid to a supplier in very specific circumstances. Those circumstances are set out in the card scheme dispute rules. A chargeback will usually only succeed if it meets the conditions set out in the card scheme rules for the kind of dispute being raised.

The consumer's bank will raise the chargeback and then the merchant (L) will be given an opportunity to defend it and provide supporting evidence. In the event the merchant defends the chargeback the consumer's bank can choose whether to accept that defence – if say the consumer has no further evidence to challenge it and it seems reasonable – or it can ask the card scheme to step in and decide who gets to keep the money.

There was no specific obligation on Barclays to raise chargebacks for Miss H however I'd expect it to have done so where there was a reasonable prospect of one succeeding.

I've explained to the parties already why I thought there was a reasonable prospect of a chargeback succeeding at least in part. There were dispute conditions for where services were paid for but not received and Miss H has provided evidence that she did not get all of the things she paid for on her holiday. Barclays has accepted that it could have raised a chargeback for these things and that it would likely have succeeded so I won't go over that part of the complaint again.

What remains in dispute is whether Miss H could've recovered more than the £600 I thought (on the face of it) she could have when I wrote to the parties in February 2024. In particular whether she could have recovered anything for her return flight being cancelled and then re-routed to a different airport.

As I've explained, a dispute which does not meet the conditions set out in the card scheme rules is unlikely to succeed in most cases. For a dispute relating to services not provided Miss H had to show that she paid for a service but did not receive it. And in support of any defence, L had to provide evidence that the flight departed. From what Miss H has provided I've not seen sufficient evidence to show her return flight was cancelled and re-routed. So, I think she would have found it very difficult to satisfy the chargeback conditions for services not received.

But even if she could have found this evidence, Miss H she said she was provided with an alternative flight home, which she agreed to utilise.

So, a chargeback for services not provided appears to have had little prospect of success. It seems most likely it would have been defended on the basis that Miss H agreed to be carried on a different flight, which departed and so she received that part of the service.

There was another dispute condition relating to services which were not as described or defective. The conditions for this set out that the reason for the dispute must be either that services did not match what was described on the transaction receipt or other record present at the time of purchase. Or, that the quality of the services was disputed.

One might argue that Miss H's flight home did not depart at the time set out in her booking confirmation and did not arrive at the scheduled airport and so it did not match what was described on the record of her booking. However, I don't think things are simple as that. For example, I've looked at what were most likely L's terms and conditions at the time of Miss H's booking with it on an archived version of its

website. These state that where a significant change to the holiday was proposed, Miss H could either accept the proposed change or cancel the holiday and get a refund. They also set out that if a change to the departure time of a flight was less than 12 hours and if the change of airport was between London airports the change would not be considered significant and L would not need to offer such options to Miss H.

Miss H said she had to wait seven hours for an alternative flight home, and it took her to a different London airport. It appears the change might not therefore have been considered 'significant' and so perhaps the change was something that the terms and conditions of the contract with Miss H permitted it L do. But even if that were not the case, Miss H accepted the proposed change that was made to her package by agreeing to be carried on the alternative flight. So, while I accept Miss H probably felt like she had no choice but to agree to the change and board the new flight once her original flight was cancelled, it appears that what happened was also legislated for in the terms of her contract with L.

Chargeback is not a determination of the legal rights of the parties to a dispute and disputes are decided in accordance with the scheme rules rather than on a strict application of the law. However, it seems relevant to consider what was likely set out in Miss H's contract with L when looking at whether the services Miss H received were 'as described' or not. The contract after all likely formed part of the description of the services that L was providing as it was a 'record present at the time of the purchase'.

Having done this, it's not clear enough to me that the circumstances of Miss H's dispute about her return flights are ones which would have met the necessary conditions for a chargeback raised under the 'services not as described' or 'defective services' dispute rule. What happened appears to be something that a record present at the time of purchase (i.e the contract) said would happen in those circumstances (i.e. if Miss H's flight was cancelled, she would be put on another flight). So, it seems unlikely Miss H could have argued the services were not as described.

On that basis I've not seen enough to persuade me that Miss H could successfully have recovered the cost of her holiday that related to her return flights via chargeback. I don't therefore require Barclays to treat Miss H as if this part of a chargeback had succeeded.

Overall however, I do find Barclays should treat Miss H as if a chargeback for services not received in part had succeeded. That part is still the loss of one day of her holiday and the failure of the hotel transfer. I find £600 was a reasonable sum for this for the same reasons I explained to the parties in February 2024 – that being it broadly equates to 1/11th of an estimated cost of accommodation and a small allowance for the transfers. Barclays must pay interest on that sum from when it told Miss H it couldn't help her in March 2023 until the date of settlement.

Barclays didn't raise a chargeback in circumstances when it ought reasonably have done so and it's clear this caused Miss H distress and inconvenience. Like the investigator, I assess this at £100.

Barclays should therefore pay a total of £700 to Miss H...

I'm planning to uphold Miss H's complaint in part. To put things right I'm planning to tell Barclays Bank UK PLC to:

- *Pay Miss H £600 plus interest of 8% simple per annum on that sum from 20 March 2023 until the date of settlement*, and;*
- *Pay Miss H compensation of £100 for the distress and inconvenience caused to her.'*

Both Miss H and Barclays accepted my provisional decision. The complaint has therefore been passed back to me to formalise 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.

Seeing as both Miss H and Barclays have accepted my provisional decision, I see no reason to change what I said in that. So, for the same reasons set out in the extract of my provisional decision above, I uphold Miss H's complaint in part.

My final decision

My final decision is that I uphold Miss H's complaint in part. To put things right Barclays Bank UK PLC must:

- Pay Miss H £600 plus interest of 8% simple per annum on that sum from 20 March 2023 until the date of settlement*, and;
- Pay Miss H compensation of £100 for the distress and inconvenience caused to her.

* If Barclays Bank UK PLC considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss H how much it's taken off. It should also give Miss H a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 18 April 2024.

Michael Ball
Ombudsman