

## **The complaint**

Mr N complains that Bank of Scotland plc declined his request for a refund of a payment he made to a bus company.

## **What happened**

In July 2023 Mr N bought travel tickets online from a bus company, paying with his Bank of Scotland debit card. He realised very quickly that he had made an error and entered the wrong dates, and so he contacted the bus company seeking a refund. The bus company refused, and so he contacted Bank of Scotland.

Bank of Scotland put Mr N's payment of £102.29 into dispute. It made a temporary refund while it contacted the bus company's card service provider. Mr N's bank statement shows the payment was debited and re-credited on the same day.

On or about 6 November 2023 the bank took the payment from Mr N's account for a second time. It explained that the bus company had not agreed to a refund, as the booking Mr N had made was non-refundable. Mr N challenged that decision and then referred the matter to this service.

One of our investigators considered what had happened and issued a preliminary assessment. He was satisfied that the bank's decision not to pursue matters further was a reasonable one, since the bus company's terms and conditions said that bookings were non-refundable and that it was the responsibility of the passenger to check the details before confirming the booking. However, he thought that the bank had delayed the process, causing Mr N additional distress and inconvenience. In addition, the bank had not explained things as well as it should have done. He recommended that it pay Mr N £100 in recognition of that.

Bank of Scotland accepted the investigator's recommendation. Mr N, however, said that he thought he was entitled to a full refund (in addition to the £100 which the investigator had recommended) and asked that an ombudsman review the case.

## **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.

Chargeback is a scheme run through the relevant card schemes (in this case, VISA) by which disputes about payment settlements can be resolved. It is not directly a scheme for the resolution of disputes between merchants and their customers, although in some cases it can have that effect.

The scheme's relevance here is that chargeback may be appropriate where goods or services have not been provided or where a customer is entitled to a refund but the merchant hasn't provided one.

There is no legal or regulatory obligation on a card issuer to process a chargeback request simply because a customer has asked it to do so. This service takes the view however that, where there is a reasonable prospect of a refund being made, card issuers should do so.

The initial chargeback request in this case was challenged by the bus company, through its own provider of card services. I have therefore considered whether – as a matter of good practice – Bank of Scotland should have taken things further through the chargeback process.

It is not for me to say whether the bus company should have agreed to a refund. However, I note that its terms and conditions said that:

- once completed, bookings were not refundable; and
- it was for the person making the booking to ensure that all details were correct.

The error in entering the dates of travel was Mr N's, not the bus company's. In the circumstances, I think that Bank of Scotland's conclusion that pursuing matters would not result in a refund was a reasonable one. It was therefore reasonable for it to re-debit Mr N's account in November 2023 and not to take the chargeback any further.

Mr N says that Bank of Scotland should not have credited his account and then re-debited it. I don't agree; that is the usual process where a customer makes a chargeback request. And the bank told Mr N that the original credit was a temporary one and that the payment might be added back to his account at a later date.

I agree with the investigator that the chargeback claim could have been resolved sooner if the bank had acted more promptly. But I note that it agreed to the recommendation that it pay Mr N £100 in respect of that and other service issues, so I simply leave it to Mr N to decide whether, on reflection, he wishes to accept that payment.

### **My final decision**

For these reasons, my final decision is that I do not uphold Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 28 November 2024.

Mike Ingram

**Ombudsman**