

The complaint

Mrs D complains about the way in which JAJA FINANCE Ltd trading as Asda Money Credit Card (“Jaja”) handled her disputed transaction claim.

What happened

On 22 July 2023 Mrs D used her Jaja credit card to pay an airline for 6 seat reservations on a flight departing on 17 August 2023. The total cost of the 6 seat reservations was £228. Mrs D had previously booked and paid for the flight itself via her travel agent.

Mrs D has told this service that the seat reservations were important to her because two of the party had disabilities and it was necessary for the whole group to sit together. Mrs D said that the seats she reserved were the only 6 seats available together.

Mrs D has told this service that when she boarded the plane, she discovered that the seats had been reconfigured and that 4 of the 6 seats she had reserved were against the back wall of the plane and didn't recline. In addition, the members of her party in the 2 other seats in front couldn't recline as this would've pinned the other 4 passengers in. Mrs D says that as a result, all the party had a 9 ½ hour journey sat upright, which the two passengers with disabilities found uncomfortable and distressing.

Mrs D contacted the airline to complain and received a complaint reference number but never heard anything further despite chasing. Following this Mrs D raised a chargeback claim with Jaja on 5 December 2023 requesting a full refund for six transactions of £38. 00.

Jaja said it couldn't raise a chargeback dispute as the transactions were over the 120 days stated in the Visa chargeback regulations.

Mrs D remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said the Visa chargeback scheme rules required disputes to be raised within 120 days from the transaction date or from the date the service was due to be provided. The investigator said that in Mrs D's case, Jaja had incorrectly advised her that the dispute had been raised out of time. The investigator said that notwithstanding this, she didn't think Jaja would've been able to raise a successful chargeback claim for Mrs D because the airlines General Conditions of Carriage stated that it couldn't guarantee that a passenger will be able to sit in any particular seat and that it could change a passengers seat at any time for operational, security or safety reasons.

Mrs D didn't agree so I've been asked to review the complaint.

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.

When dealing with chargebacks, banks and providers of credit need to do so within the remit of the rules set by the relevant card scheme.

Chargebacks are a voluntary scheme. How it works is that the card issuer checks the complaint against the possible chargeback reasons to see what sort of evidence is required and under what timescales. This is so it can decide whether it can make a successful claim for the customer. Card issuers don't have to submit claims and they will only do so if they believe they have evidence that will support a chargeback claim so that it will be successful. This service expects card issuers to help if they can, but we don't expect them to raise a chargeback if there is little prospect of success.

I've looked at Mrs D's request to raise a chargeback to see whether Jaja acted reasonably when it declined the chargeback.

In this case, Visa are the scheme provider, so I've looked at the Visa chargeback regulations. These state that a dispute must be raised within 120 days from the transaction date (in this case, 22 July 2023) or alternatively within 120 days of the date when the service was due to be provided (in this case, the date of the flight, 17 August 2023).

I can see that when Jaja issued its response to Mrs D's chargeback claim, it told her that the claim had been brought too late. This was incorrect, because Mrs D had brought the claim within 120 days of the date when the service was due to be provided. Jaja has subsequently acknowledged that the advice it gave was incorrect.

If Jaja had proceeded, it would've had to consider whether there was a reasonable prospect of a successful claim. So I've gone on to consider whether it was likely that Mrs D would've had a successful chargeback claim here.

The relevant Visa chargeback code in the circumstances of Mrs D's complaint would be "Not as Described" or "Defective Merchandise/Services" or "Goods and Services not received".

I've reviewed the airlines General Conditions of Carriage to see what the terms and conditions say about reserved seating. I've set out the relevant paragraph below:

5e Seating

5e1. We will try to honour advance seating requests

5e2. We cannot guarantee that you will be able to sit in any particular seat

5e3. We can change your seat at any time, even after you have boarded the aircraft, as we may need to do this for operational, safety or security reasons.

I've also found a further clause which is relevant to Mrs D's complaint:

20b. All the rules of seating in clause 5e apply to seating passengers with a disability

I've thought about what this means for the success or otherwise of Mrs D's chargeback claim. The airlines terms and conditions mean that, although Mrs D paid to reserve particular seats, there was no guarantee that she and her party would be able to sit in those seats.

My understanding – from what Mrs D has said – is that the aircraft reconfigured the flight to fit in extra seats, and that the seats she and her party sat in should not have been allocated to paying passengers and should have instead been used for cabin crew and extra storage. I haven't seen any evidence from the airline to confirm what Mrs D has said. But even if I accept what Mrs D has said about the aircraft being reconfigured, any seat changes would be covered by the terms and conditions I've set out above under "operational, safety or security reasons".

Based on what I've seen in the airlines terms and conditions, I don't think it's likely that Mrs D's claim would've been successful had Jaja raised a chargeback. So, although Jaja made an error when it told Mrs D that she was out of time to raise a chargeback, I don't think the error made any difference to what the overall outcome would've been here.

I've also thought about whether Jaja should've raised a section 75 claim. One of the conditions of a section 75 claim is that the value of the goods and services must be more than £100 and no more than £30,000. In this case, I can see from Mrs D's credit card statements that the payment made to the airline were for 12 individual transactions of £38 each. This means that the transaction price doesn't meet the requirements of Section 75.

Taking all the information into account, I don't think Jaja treated Mrs D unfairly here. For the reasons I've explained, I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 30 December 2024.

Emma Davy
Ombudsman