

The complaint

Mr Y complains that Bank of Scotland plc trading as Halifax (Halifax) declined his chargeback request for the refund of a car deposit. He would like the deposit refunded.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for 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.

Having done so I have reached the following conclusions: -

- Although Mr Y's finance agreement ended, with payments refunded, he hasn't received the £3000 deposit, paid using his Halifax debit card. I do appreciate this is a significant sum of money.
- Mr Y contacted Halifax who considered a chargeback claim. I should explain that the chargeback scheme is a voluntary scheme. Under the scheme Halifax can reverse a transaction if there is an issue with goods or services and, it feels the claim is one that is likely to succeed. However, the scheme doesn't automatically mean refunds will be made. The scheme has rules that must be followed, and merchants can defend claims. I think Halifax acted appropriately in considering a chargeback claim for Mr Y
- In this case the relevant rule is that claims must be submitted within 120 days from the date of transaction or receipt of the goods. Mr Y collected his car on 10 July 2023. I appreciate he had ongoing correspondence with the merchant; however, he didn't contact Halifax until March 2024 - significantly after the 120-day window he had to do so.
- Whilst I appreciate Mr Y may not have been aware of the chargeback rules, Halifax must abide by these. Unfortunately, Mr Y contacted Halifax after the 120 days he had to do so. As Halifax had no right to raise a claim on Mr Y's behalf, I can't reasonably ask it to refund Mr Y's deposit.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 February 2025.

Bridget Makins
Ombudsman