

The complaint

Mr H complains about the way Lloyds Bank PLC (Lloyds) handled his chargeback claim.

What happened

In October 2023, Mr H raised two payment disputes. Mr H had made two payments using his debit card and he stated the goods hadn't been received. Lloyds provided Mr H with a temporary refund of the disputed amounts and raised a chargeback dispute.

Mr H complained in January 2024 that when he raised the disputes, he was told he would receive an outcome to the payment disputes after 42 days by email. He complained about not having received an outcome to the disputes as yet. Mr H also asked that relevant associated evidence be provided to him - including information about where delivery of the items were made and who signed for them. He mentioned he was assured he would be provided with relevant evidence when he raised the disputes.

On receipt of the complaint, Lloyds informed Mr H in February 2024 that he could now keep the payments Lloyds had made into his account. Lloyds has said that the merchant accepted the chargeback.

In June 2024, Lloyds issued its final response letter. In this letter Lloyds explained that it would be paying Mr H £40 because he had to chase it for information relating to the outcome of the chargeback dispute. Lloyds said it wasn't able to provide any information/evidence as due to the time elapsed, the information was no longer showing on the Visa system used for chargebacks.

Mr H brought his complaint to our service and he told us that he had been informed by one of the merchants that the products ordered had been delivered to his home address and the parcel was signed for. Lloyds had assured him that it would investigate whether this claim was true and pass on evidence relating to this to Mr H. The lack of information or evidence supplied by Lloyds caused concern for Mr H. He is asking for compensation to be paid for the negligence displayed by Lloyds.

Our investigator reviewed the complaint and did not think Lloyds needed to do anything further to put things right for Mr H. Our investigator explained that the complaint focuses on how the dispute was handled and the lack of evidence provided to Mr H as the chargeback dispute was resolved in his favour. The investigator thought it was fair for Lloyds to pay some compensation as Mr H had to chase it for an outcome to his disputes. Our investigator further explained it wasn't unreasonable that Lloyds couldn't provide evidence to Mr H due to the time that has elapsed, but also that it's unlikely Lloyds had any evidence to share at all as the merchants did not contest the disputes. Overall, our investigator found the £40 already offered by Lloyds to be a fair resolution to the complaint.

Mr H was unhappy with this outcome. He felt that the time it took for Lloyds to respond to his concerns merits more than £40 in compensation. Mr H asserts that in failing to use our powers to retrieve information about who signed for the allegedly delivered package, this service is supporting fraud and aiding the merchant and bank in covering up who received

the products he ordered. Mr H made clear that his concerns relate to the assurances given by Lloyds that he would be passed information, and pointed out that the delays caused in handling his disputes and complaint are what have contributed to the information no longer being available.

As Mr H remained unhappy, the complaint has now been passed to me to decide.

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.

Lloyds raised the chargeback disputes for the two transactions and credited Mr H's account on 23 October 2023. The timescales for both Lloyds to hear back from the merchant and for Mr H to hear back from Lloyds with the outcome of the disputes passed without an update having been provided to Mr H. So, he reached out to Lloyds and Mr H subsequently received confirmation from Lloyds that the chargeback disputes had been accepted, and Mr H could keep the refunds already processed for the disputed transactions.

It is not in contention that Lloyds should have communicated the outcome of the dispute to Mr H sooner, and it has offered £40 to say sorry for its error. But rather, Mr H's main concern is that he had been promised information which was not received. And due to the delays and lack of communication from Lloyds, this information is no longer available.

I have reviewed the information available about what was discussed when Mr H raised the disputes. I think it's likely the call advisor said that if the dispute was challenged, the information provided by the merchant would be shared with Mr H. However, even if an explicit promise had been made to share the details of who the parcels had been delivered to, I don't think it's likely such information was ever available to Lloyds.

I say this because I have considered the type of information provided to the merchant and what is required when a merchant is responding to a chargeback dispute. In this case, due to the passage of time and the information being unavailable, I assume that the merchant either accepted the dispute or did not respond, causing the dispute to succeed in Mr H's favour. If the merchant were to accept, it would not provide defensive material such as information stating where the parcel was delivered. And if it did not respond, then Lloyds would never have had this information to hand in any event. So, I don't find it is reasonable to require Lloyds to provide information to Mr H which it is unlikely to have been in receipt of.

However, there is the matter of managing Mr H's expectations which needs to be considered. If Mr H had been told he would be supplied with this information, then he would understandably be distressed if it was not received and then lost due to a lack of communication. Even having taken this into account, I find the £40 offered to be within a fair range for compensation to resolve Mr H's concerns. So, I will not be asking Lloyds to pay any more than what it has already agreed to put things right for Mr H.

Lastly, I will add that having reviewed this complaint in its entirety, I find that the matter for us to consider is whether Lloyds handled Mr H's chargeback disputes appropriately, which is what I have done here. I do not recommend that Lloyds or we use our inquisitorial remit to ask the merchant for the information he seeks, when he is able to make this request himself. And this information is not necessary to reach an outcome on this complaint as the disputed amounts have already been refunded to Mr H.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 June 2025.

Vanisha Patel
Ombudsman