

The complaint

Mr P complains that Lloyds Bank plc won't refund to him the money that he paid for a holiday.

What happened

Mr P used his Lloyds Bank credit card in June 2023 to make payments of £400 and £272.32 to a holiday company towards the cost of a holiday that was to be taken in August 2023. The booking confirmation shows that the total cost of the holiday was £2,392.32. Mr P says that the holiday didn't go as planned due to various issues and mis-advertising so he made a claim to Lloyds Bank under section 75 of the Consumer Credit Act 1974.

He then complained to Lloyds Bank about the way that his claim was being handled. It said that it was sorry for the inconvenience caused by the way that his claim had been handled and to make up for that it was arranging to pay him £60. It also said that it would continue to review the claim to ensure that further progress was being made. Mr P wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld as she thought that Lloyds Bank had responded to the complaint fairly.

Lloyds Bank then responded to Mr P's section 75 claim. It said that it couldn't agree that a breach of contract or misrepresentation had been proven, as it appeared that the merchant had fulfilled its contractual obligations. Mr P made another complaint to Lloyds Bank but it said that it couldn't agree that he'd been able to provide sufficient evidence to support his claim. Mr P wasn't satisfied with its response so made another complaint to this service.

That complaint was looked at by another of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that she was unable to comment on the initial service that Mr P experienced from Lloyds Bank as that had already been addressed by this service. She said that she thought that Lloyds Bank was correct when it declined his section 75 claim as she wasn't satisfied that there was a breach of contract or a misrepresentation.

Mr P didn't accept the investigator's recommendation and has asked for his complaint to be escalated to an ombudsman for a final decision. He has provided detailed responses to the investigator's recommendation and he concludes one of his submissions by asking that his claim is re-evaluated with a focus on: the adequacy and visibility of disclaimers on the merchant's website; the practical challenges and psychological impact of addressing issues during the holiday; and the ongoing communication issues experienced during the section 75 claim process. He also says that he's provided evidence from other affected customers to substantiate his claim of misrepresentation and inadequate customer service.

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.

Mr P complained to this service in November 2023 about the way that his section 75 was being handled. The investigator didn't recommend that his complaint should be upheld as she thought that Lloyds Bank had responded to the complaint fairly by apologising to Mr P and paying him £60 compensation.

Lloyds Bank rejected Mr P's section 75 claim in January 2024. It said that the holiday company provided a 24 hour emergency in-resort support line, which was outlined in the booking confirmation, and that contacting it during the stay allows it an opportunity to attempt to resolve any concerns but it hadn't been able to do that as Mr P contacted it after he'd returned home and he stayed for the full duration of the holiday. Mr P then made another complaint to this service.

In certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier. To be able to uphold Mr P's complaint about Lloyds Bank, I must be satisfied that there's been a breach of contract or misrepresentation by the holiday company and that Lloyds Bank's response to his claim under section 75 wasn't fair or reasonable (but I'm not determining the outcome of Mr P's claim under section 75 as only a court would be able to do that).

I've considered the booking confirmation, the holiday company's terms and conditions, Mr P's description of what happened and his responses to the investigator's recommendation. It's clear that Mr P considers that the holiday company misrepresented the holiday to him and that there's been a breach of contract by the holiday company. He says that the holiday didn't go as planned due to various issues and mis-advertising because several facilities were advertised on the holiday company's website but weren't provided throughout the stay and there were unexpected additional charges for spa facilities. It's clear that those issues had an adverse impact on Mr P's holiday but I can only uphold his complaint about Lloyds Bank's response to his section 75 claim if I'm satisfied that there's been a breach of contract or misrepresentation by the holiday company.

Having carefully considered all of the information that Mr P has provided, including the evidence from other affected customers, I'm not persuaded that there's enough evidence in these circumstances to show that there's been a breach of contract or misrepresentation by the holiday company. I consider that it was fair and reasonable for Lloyds Bank to reject Mr P's section 75 claim for a refund.

Mr P has also complained about the way that his claim has been handled. He says that he first contacted Lloyds Bank about his claim in September 2023 and he complained to it about the way that his claim was being handled in October 2023. It sent him its final response later that day in which it agreed that it had made an error and was correcting it by providing information to its disputes team so that the process could be completed correctly. It also said that it was sorry for the inconvenience caused by the way that his claim had been handled and it paid him £60. I consider that Lloyds Bank responded fairly and reasonably to that complaint but Mr P says that his acceptance of that compensation doesn't mitigate the ongoing communication issues encountered during his section 75 claim.

Mr P complained to this service about the way that his complaint had been handled in November 2023 and the investigator provided her recommendation about that complaint in January 2024. Later that month Lloyds Bank responded to Mr P's section 75 claim but didn't agree that a breach of contract or misrepresentation had been proven. Mr P complained to it about that and it sent him its final response in March 2024. Mr P says that the delays and lack of updates from Lloyds Bank exacerbated the stress and inconvenience that he experienced.

Lloyds Bank accepts that that it had made an error in its handling of Mr P's claim but it then responded to his claim, and to his complaint about its response, within timescales that I don't consider to be unacceptable and I'm not persuaded that the customer service that it provided to him during that time fell below a level that he should reasonably have expected it to provide. I don't consider that it would be fair or reasonable in these circumstances for me to require Lloyds Bank to refund to Mr P any of the money that he paid to the holiday company, to pay him any further compensation or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 April 2025.

Jarrold Hastings
Ombudsman