

## **The complaint**

Mr M complains about the way Lloyds Bank plc handled his chargeback claim.

Mr M is represented in this complaint. For the sake of simplicity, I will refer to all submissions by Mr M's representative as being from him.

## **What happened**

Mr M purchased airline tickets using his Lloyds debit card with a travel company, T. In the days before the flight he became ill and medical advice recommended he do not fly. Mr M said he notified the airline, but it refused to refund the ticket. Mr M raised a chargeback with Lloyds which was unsuccessful. So he raised a complaint.

In its final response Lloyds said T provided it with evidence to say the flight was still valid but Mr M hadn't shown up for it. So, it took the refund back. Mr M wasn't satisfied and brought his complaint to this service.

In his view our investigator concluded that Lloyds followed the correct chargeback procedure and acted within the expectations of our service. Mr M didn't agree and asked for a decision from an ombudsman.

## **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.

I've seen that Mr M has made numerous points in support of his complaint. I'm not going to respond to every single point made by him. No discourtesy is meant by this instead I've focused on what I think is the crux of the complaint. Our rules allow me to do this. This simply reflects the informal nature of our service. If there's something I've not mentioned it isn't because I've ignored it, I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

When Mr M brought his claim to Lloyds it initiated the chargeback approach. Chargeback is a transaction reversal made to dispute card transactions and obtain a refund if there is a problem with the product or service. Chargeback rules are set by the card scheme, and not the card issuer. The rules can be quite strict.

It's important to say that chargeback is a voluntary scheme not a legal right, there is no automatic right to it, nor is it a guaranteed method of getting a refund. The card issuer checks the nature of the claim against the possible chargeback reasons to check what evidence may be required and the timescales of the scheme. Card issuers don't have to submit claims. And will likely only do so where they believe there is evidence to support a successful chargeback claim.

Lloyds has said when Mr M raised his concerns on 29 October 2023 it issued him with a temporary refund totalling £1,159.52 for flights he'd booked with T.

It said T provided evidence the flights were still valid, but Mr M didn't show up for the flight. So it sent an email to Mr M on 28 December to advise him T was able to provide the evidence and it would be taking the temporary refund back within the next 10 days. It said it took the money back on 11 January 2024.

T said all customers are presented with the cancellation and refund policy of their booking during the checkout process. It said these must be read and agreed prior to any payment being made. It provided an example of the booking flow.

I've seen a copy of an email dated 27 September. It confirms a booking and attaches the confirmation and invoice. The email says:

*"Once the ticket is issued it is completely non-refundable and non-changeable, however in the event of cancellation please let us know to process your booking for airport tax refund only (fuel surcharge and all US taxes are non-refundable). Full terms and conditions are available on the website."*

In its explanation to Lloyds, T said the Mr M raised a dispute stating, "credit not processed", which is invalid and should be rejected, as all the services were successfully delivered and accepted by Mr M. It said this is a case of voluntary cancellation as the flights were scheduled and operated as normal and the non-refundable cancellation policy was fully applicable to this booking.

I've also seen a copy of the e-ticket which was issued. After the merchant defended the chargeback Lloyds wrote to Mr M for his response. It said it didn't hear back from Mr M within the 10 days mentioned in its email.

I'm persuaded Lloyds acted reasonably and fairly when dealing with Mr M's chargeback claim.

Mr M has said he did cancel the booking before the flight took off because he clearly could not travel as per the medical evidence he submitted to this service. He said there was no reason why he wouldn't have cancelled.

I've seen evidence of confirmation that the ticket was cancelled but not evidence the cancellation was fully refundable. The copy of the email Mr M sent confirming cancellation only confirms a partial refund as I mentioned above regarding airport taxes. Mr M said the terms and conditions were not provided to him prior to the purchase of tickets. But as I've mentioned above the merchant provided a screenshot of an example of the booking flow. This shows the need to confirm that the customer has read the terms and conditions before the transaction. There is no distinction in the terms and conditions to cover being medically unfit to travel. As the merchant suggested to Lloyds this would likely be a matter for travel insurance.

Mr M has also said Lloyds didn't adequately substantiate the merchant's testimony by failing to obtain and review the call where Mr M cancelled tickets. The call wasn't available. But even if Lloyds had listened to that call, terms and conditions still apply and a full refund wasn't due. Mr M said the cancellation was made in a timely manner considering the medical emergency. I am sorry to hear about Mr M's medical problem that prevented him from taking the flight. Unfortunately, this still doesn't mean a refund is due as the tickets were non-refundable per the terms and conditions.

In his response to our investigator Mr M also said he didn't have access to the evidence he needed to review from the merchant before the deadline. And the email was sent to his junk folder. I can see from the emails Mr M send to Lloyds that he was very frustrated with having

to use a password protected portal to view the evidence. I do understand not everyone wants to review documents online. But even if he had I'm not persuaded this would change the outcome.

Mr M has challenged our investigator's view on the grounds that "medical force majeure" is not adequately addressed in the terms and conditions. These terms and conditions for booking were set by the merchant themselves and were not Lloyds' responsibility.

I'm sympathetic to the fact this is not news Mr M would like but I'm satisfied Lloyds has acted fairly and reasonably when it handled Mr M's chargeback complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 February 2025.

Maxine Sutton  
**Ombudsman**