

The complaint

Miss K complains that Bank of Scotland plc trading as Halifax didn't treat her fairly when she requested a refund of payments made with her debit card.

What happened

Miss K used her Halifax debit card to pay for hotel accommodation and meals in January 2023. The transactions were shown on her account statements as:

Date	Amount
09/01/2024	£2,463.17
	£25.63
	£193.93
12/01/2023	£110.17
16/01/2023	£70.69

Miss K got in touch with Halifax on 3 May 2023 by phone to ask for help with a refund. She explained that her original booking was for 6 – 14 January but she had missed the first night due to a family member's illness, and the hotel had offered to refund the cost of this night as she'd given sufficient notice. Miss K said that the hotel hadn't honoured the refund it had offered her in an email on 21 January.

Miss K also said that her original booking had included breakfast but this had been added to her bill. Altogether, Miss K requested a refund of £580.97 of the £2,463.17 transaction on the 9 January. Miss K also said that she was charged separately again when she presented for breakfast and requested a refund of four transactions on the 9, 12 and 16 January, which altogether amounted to £400.42.

Card providers like Halifax can ask card schemes, Visa in this case, for a refund or chargeback on behalf of their customer if there's a problem with the goods or services they've paid for. Refunds aren't guaranteed and need to be supported with sufficient evidence and requested within strict deadlines. Halifax said the deadline in this case was 21 May 2023 at the latest.

Following her initial call, Miss K emailed Halifax on 5 May. In response on 9 May Halifax asked Miss K for more evidence to support her refund request with Visa. It emailed her a link to a secure web portal and asked her to provide evidence in this way. Miss K told Halifax on the 17 May that she couldn't access the portal and Halifax sent her another link on 19 May.

When Miss K didn't provide the requested evidence by the 21 May, Halifax let her know it was out of time to raise a chargeback request. This meant Miss K would not be able to have her money refunded through the chargeback process.

Miss K wasn't happy with how Halifax had handled her request for help and complained. Halifax didn't uphold her complaint because it said it couldn't raise a request without sufficient evidence and Miss K hadn't provided this.

Miss K referred her complaint to us in November 2023. Our investigator looked into things but didn't recommend that Halifax take further action. They found that Halifax hadn't made any errors or treated Miss K unfairly in how it dealt with the chargeback process.

Miss K disagreed with this recommendation and asked for her complaint to come to an ombudsman to decide and it was passed to me.

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 considered everything carefully, I am not upholding Miss K's complaint. I've concluded that Halifax didn't get anything wrong in its handling of her refund request which meant that she missed out on having her money returned. I appreciate that this is not the outcome Miss K is hoping for and I am sorry to disappoint her. I hope the following clearly explains how I've reached this conclusion.

The facts of the case are known to both parties so I won't set out everything that happened in great detail. I want to reassure Halifax and Miss K that I have reviewed all the information available to me and taken into consideration everything that's been said. This includes recordings of the calls Miss K had with Halifax on the 3 May and 13 June 2023. If I haven't mentioned any specific point it is not that I haven't considered it, but rather that I've focussed here on setting out my reasons for my decision.

I'll begin by commenting on the rules - the rules for chargeback claims are made by the card schemes, Visa in this case and not the card issuer, Halifax. Refunds can be requested only in specific circumstances, and requests have to be submitted in a particular way and within strict time limits. It is a voluntary scheme, so issuers don't have to request a refund and customers don't have a right to ask for one, as they do for example under Section 75 of the Consumer Credit Act 1974 if they've paid in whole or in part with credit.

If the customer and the supplier (Miss K and the hotel in this case) can't agree, the final decision about whether or not to provide a refund is made by the card scheme itself, after an initial stages of request from the buyer and response from the seller. Card issuers, like Halifax, might not put forward chargeback requests where there isn't a reasonable chance of success as the card scheme could eventually make the decision not to provide a refund.

Generally, issuers have 120 days from the transaction or when a customer received a service to request a chargeback. Chargebacks can't be requested for multiple transactions so Halifax needed to raise separate requests for the transactions Miss K had disputed. The date of the last transaction Miss K disputed was 16 January 2023, and she told Halifax that her last day at the hotel was the 14 January. Miss K also said that she'd been sent an email by the hotel on the 21 January confirming her refund of one night's stay. So, it seemed the latest possible date Halifax could raise a chargeback request for the promised refund was the 21 May 2023 and it was likely to be before then for the other transactions.

What happened

On the call on the 3 May, Miss K was asked if she had a copy of the bill or invoice from the hotel listing the breakfast costs etc, whether she had been sent an email from the hotel confirming her refund for the night she didn't stay, what the hotel's policy was for a 'no show' and whether her original booking stated that breakfast was included. Miss K said she had a copy of the invoice from the hotel and an email from it on 21 January confirming her refund.

Halifax asked Miss K to send an email explaining in detail what happened, given there were several transactions involved, and to also send a copy of the email from the hotel.

I understand that Miss K emailed Halifax on 5 May but I haven't seen a copy of this email. It seems from the call on the 13 June that Halifax had received a copy of the email sent to Miss K from the hotel confirming a refund, but it wasn't clear how much the refund was for or what it related to on the original booking.

I asked Miss K to send me her email of the 5 May and any other correspondence she'd sent to Halifax, but she hasn't been able to provide this. So I don't know how much of an explanation or what supporting evidence Miss K sent to Halifax by email.

It seems that Miss K didn't provide enough of what was discussed on the call on the 3 May as Halifax emailed Miss K on 9 May to ask for evidence to support her chargeback request. It included a link to a secure online web portal through which she could submit evidence. Miss K told Halifax on the 17 May that she couldn't access the portal and so Halifax sent another email with a link on the 19 May, along with instructions on how to reset her password. Miss K got in touch with Halifax again by email and telephone on the 13 June to say that she couldn't access the portal. By then the deadline for raising any chargeback had expired.

When Miss K called Halifax on the 13 June, Halifax explained that it needed to be clear about exactly what amounts Miss K wanted a refund for. It said it would need to see a copy of the hotel booking to show the charge per night and would also need to understand what amount the hotel had offered to refund to Miss K. Halifax also said that it was unclear about what she'd paid for breakfast, what amounts she was disputing and what transactions these related to, given the transactions in question were all for different amounts. I understand from Halifax that Miss K didn't send in any further evidence following this call.

My considerations

By the time Miss K asked Halifax for help in May, she was almost out of time to raise a chargeback request. Miss K has shared with us that she suffered a bereavement early in 2023. I am sorry for Miss K's loss and also for the difficult circumstances of her trip when a family member became very unwell. I appreciate that her finances weren't a priority for her in those times.

Unfortunately for Miss K, there aren't any allowances made by the card schemes for the reasons behind missing deadlines, though I would expect Halifax to have dealt with Miss K's request promptly, given how close she was to the time limits and given her circumstances. Halifax followed up Miss K's email of the 5 May with an information request within days, and similarly with her request for help with the portal on 17 May. So I don't think Halifax's response time delayed things for Miss K.

Miss K said that despite informing Halifax that she could not access the portal, it sent the evidence request in the same way, and not by email or in writing to her. I understand that the portal required a password and Halifax provided instructions about how to reset this (as mentioned in the call on 13 June). Halifax said that Miss K didn't request that it get in touch with her in another way and so it didn't.

Having considered this point carefully, I don't think the outcome would have been different for Miss K if Halifax had emailed or written to her with its information request, rather than directing her to the portal again on 19 May. When Miss K told Halifax she couldn't access the portal on 17 May, 120 days had passed since the date of all the transactions Miss K was disputing. There may have been time to request a chargeback for the amount of refund

Miss K had been offered but had not yet received, but I don't know if she had the evidence Halifax required in order to submit this chargeback request, or indeed any of the others. As mentioned, from what I've seen Miss K didn't provide any further evidence to Halifax after her email of the 5 May. So I can't say Miss K would have provided everything needed in time to submit a chargeback request but for the way in which Halifax communicated with her.

Altogether, I haven't found that Halifax got something wrong in its handling of the chargeback process that led to Miss K missing out on obtaining a refund. And I don't think Halifax treated Miss K unfairly by not submitting a chargeback request because there didn't seem to be a reasonable chance of it succeeding given the lack of supporting evidence from Miss K. It follows that I am not upholding her complaint.

My final decision

For the reasons I've explained above, I am not upholding Miss K's complaint against Bank of Scotland plc trading as Halifax and don't require it to take any further action in this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 28 February 2025.

Michelle Boundy
Ombudsman