

## **The complaint**

Mr K complains that Bank of Scotland plc trading as Halifax (Halifax) mishandled his refund claim for a parking fine from a local council I shall call 'D'.

## **What happened**

Mr K travelled by car to a London borough on 2 January 2024 and received a Penalty Charge Notice (PCN) from D during his visit. He subsequently raised an appeal online and sent in supporting evidence such as a blue badge to explain why he felt the penalty was unfair.

Mr K says D didn't respond within their timescales and increased his penalty fine to £195 on 22 March 2024. Mr K called their customer service on 25 March 2024 to raise a formal complaint querying why he didn't receive a response. He says he was told failure to pay would mean bailiffs would be called. However he says he was reassured that a complaint to his credit card provider should provide a refund.

Mr K subsequently raised a claim with Halifax, however this was declined as Halifax felt there wouldn't be a successful outcome under Section 75 (S75) of the Consumer Credit Act 1974 (CCA). They said that the PCN wouldn't be considered a 'consumer purchase' and so wouldn't meet the requirements of S75.

As Mr K didn't agree, he raised a complaint with Halifax about the handling of his claim. Halifax sent their final response on 20 May 2024 confirming they wouldn't be changing their position and that they'd not done anything wrong.

Mr K was unhappy that Halifax was unable to provide a refund and brought his complaint to this service in June 2024.

When our investigator wrote to Mr K in August 2024, he confirmed he'd since received a full refund from D. However he still wanted the service to look at his complaint against Halifax as he didn't believe his prior claim had been considered properly. He also said he wasn't provided a copy of the Financial Ombudsman Service (FOS) leaflet by Halifax and felt this was unprofessional.

Our investigator looked at the complaint but didn't uphold it. They felt a chargeback claim wasn't possible as there wouldn't be a valid chargeback reason under the card issuer scheme rules (in this case Mastercard). They also felt the requirements of a S75 claim wouldn't be met and Halifax was entitled to decline the claim.

They also didn't identify any examples of where Halifax's customer service fell beyond what would be expected. In addition they appreciated that Mr K may have been frustrated by not receiving the FOS leaflet, however referral rights were provided appropriately in Halifax's final response letter. They also said that page 3 of the final response clarified Mr K could visit the FOS website which would have further information. Our investigator felt this was an appropriate alternative and so they couldn't ask Halifax to do anything more.

Mr K didn't agree with the investigator and asked for an ombudsman to make a final 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.

I've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Halifax aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr K paid for this transaction using his credit card, both chargeback and a S75 claim could possibly help him. So in deciding what is fair and reasonable I've focussed on this.

### *Chargeback*

There is no requirement for Halifax to raise a chargeback, but it's often good practice to do so. However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Halifax acted fairly.

Halifax has said that a chargeback claim wasn't raised here as they didn't believe the dispute about the penalty fine was tied to an appropriate Mastercard chargeback reason code.

I do agree that a chargeback claim wouldn't be possible here. The chargeback reasons commonly include issues such as faulty goods or services, or goods or services not provided. In this case the dispute is regarding a fine imposed on Mr K by a local council. Mr K has said he shouldn't have had the charge applied. This isn't a reason that can be considered under the chargeback scheme rules.

Here Mr K is paying a statutory fine using his Halifax card rather than financing an agreement with this local authority for the supply of goods or services. I therefore can't say Halifax did anything wrong here in choosing not to proceed with a chargeback claim.

### *Section 75*

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

I appreciate Mr K believes Halifax had obligations to refund his charge as they authorised his transaction.

S75 (1) does say that if a debtor with the relevant debtor-creditor-supplier agreement (which would be a restricted-use credit agreement) has a claim against a supplier in respect of a misrepresentation or breach of contract, they would have a like claim against the creditor, who with the supplier, will be jointly and severally liable to the debtor.

As stated previously, there is a requirement for a contract to exist between the supplier and Mr K (in order to fall under 'breach of contract' or a 'misrepresentation' of the goods or services provided). Halifax has stated that the PCN transaction in this case can't be considered a 'consumer purchase'.

I do agree in that I don't consider the card to be funding a relevant agreement for the purposes of S75. The transaction in question is discharging a liability imposed by the local council and therefore wouldn't meet the requirements for a claim under S75 CCA. I therefore can't fairly conclude Halifax acted unreasonably in rejecting Mr K's claim.

### *Customer Service*

Mr K's customer service complaint is about the fact he believes his concerns weren't considered appropriately by Halifax. He also says the FOS leaflet wasn't provided to him in May 2024 when their final response was provided.

I must clarify here that we only have jurisdiction to consider complaints about the provision of a financial service rather than how a firm has handled a complaint. Therefore as this complaint point is separate from that of the general claim handling itself, which I've addressed above, I'm satisfied this is something we can't consider.

But even if we could, I would agree with the investigator's findings. Having looked at the time taken for Halifax to initially consider his claim, and then address his complaint, it does look like this was done within a matter of weeks. I don't consider this time unreasonable and I've insufficient evidence of anything further that indicates the customer service wasn't as it should've been.

In terms of the provision of the service leaflet, I've reviewed the final response letter sent by Halifax and can see that it has provided our website address. I note the letter does say a leaflet would be enclosed and I appreciate it'd be frustrating to find this didn't occur. Even with this in mind, as the appropriate information would've been available on the provided web address, I can't say that the lack of provision of the leaflet means it'd be fair to ask Halifax to do anything more.

### **My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 December 2024.

Viral Patel  
**Ombudsman**