

## **The complaint**

Ms O complains that Bank of Scotland plc has declined her claim for a refund under section 75 of the Consumer Credit Act 1974 ("section 75") and under chargeback. The bank trades in this case under its Halifax brand.

## **What happened**

In or around May 2022 Ms O agreed to enrol in a "Property trading and wealth creation" course with a provider which I'll call "T". She paid for the course with three payments from her Halifax credit card, totalling £2,698, and made a further debit card payment of £4,000.

In June 2022 Ms O contacted T to say that her circumstances had changed and that she wanted a refund of the course fee. T declined Ms O's request, saying she had already taken part in a welcome call and that her request was outside the 14-day cooling-off period provided for.

Ms O contacted Halifax to seek a refund. Halifax raised a chargeback claim, but T defended her claim. It said that Ms O had received the services she had paid for.

Halifax went on to consider whether Ms O had a claim under section 75, but concluded that there was no evidence that she had a claim for breach of contract or misrepresentation against T, so she therefore did not have a valid claim against the bank.

Ms O referred the matter to this service, where one of our investigators considered what had happened. He issued a preliminary assessment but did not recommend that the complaint be upheld. Ms O did not accept that recommendation and asked that an ombudsman review the case.

## **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.

### ***Chargeback***

Where goods or services are paid for with a debit or credit card and a dispute arises, it is often possible to resolve that dispute through the chargeback process. Chargeback is a scheme run by the card schemes (in this case, Mastercard). A card issuer (here, Halifax) raises a claim through the scheme against the merchant's provider of card facilities. That provider will then consider whether the claim meets the relevant criteria for chargeback (if necessary, seeking evidence from the merchant) before responding to the claim. Where necessary, the scheme provides for arbitration between the financial businesses.

Chargeback is however primarily a scheme for resolving disputes about payment settlements – including, for example, where payments are not authorised or are duplicated, or where goods have been paid for but not delivered. It can therefore have the effect in some

cases of resolving disputes between merchants and consumers, but it is not always an appropriate or effective mechanism for achieving that aim.

There is no legal or regulatory obligation on a card issuer to pursue a chargeback claim, but this service takes the view that they should do so where there is a reasonable prospect of success.

In this case, Halifax raised a chargeback, but T was able to provide evidence that it had provided the service which Ms O had agreed to purchase – that is, online training materials and support. In the circumstances, I think it was reasonable for Halifax to conclude that it was not appropriate to pursue the claim any further.

### **Section 75**

One effect of section 75 is that, subject to certain conditions, an individual who uses a credit card to pay for goods or services and who has a claim for breach of contract or misrepresentation against the supplier of those goods or services has a like claim against the credit card provider. The necessary relationships between Halifax, T and Ms O are present in this case, and the transaction falls within the relevant financial parameters. I have therefore considered Ms O's dealings with T.

I note first of all that Ms O initially contacted T to say that she wanted to cancel the course and receive a refund because her circumstances had changed, not because there was anything wrong with the course or what she had been told about it. That does not of course mean that she cannot also have a claim for breach of contract or misrepresentation, but it does mean that her submissions on those points are less credible than they might otherwise have been.

I have seen nothing to suggest that Ms O did not receive what was promised. T says it explained the format and duration of the course, and its website at the time showed that courses were delivered online in video format.

The investigator sought call recordings from T from the time Ms O enrolled. T said they were no longer available as it had changed its provider. It had however listened to the recordings when Ms O first raised an issue, and its notes from that time indicated that it had properly explained the nature and format of the course to Ms O.

T's terms and conditions gave Ms O the right to cancel the contract as long as she did so within 14 days and as long as she had not already accessed digital content. By the time Ms O tried to cancel, however, the cooling-off period had expired and she had accessed the content – albeit, she says, only to view the introduction.

I note too that the course came with a money-back guarantee. That was, however, dependent on a number of conditions being met, including that the customer had completed 12 months training. Ms O had not met those conditions.

It is not for me to say whether Ms O does in fact have a claim against T. Nor is it for me to decide whether she has a claim against Halifax under section 75. What I must do is decide what I consider to be a fair resolution of Ms O's complaint about Halifax's decision to decline her claim. In the circumstances, however, I think it was reasonable of Halifax decline Ms O's claim under section 75.

**My final decision**

For these reasons, my final decision is that I do not uphold Ms O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 10 April 2025.

Mike Ingram  
**Ombudsman**