

The complaint

Mrs M is unhappy with how Bank of Scotland trading as Halifax (Halifax) handled a quality of services claim she made to them.

What happened

Mrs M booked a room for 10 February 2024 with a hotel I shall call "R". This was at a cost of £82.98 and was paid using her Halifax credit card. However she says she was unable to sleep during the night due to the temperature within the room being too high. She says she called reception at 1am to explain she was unable to sleep. As the matter wasn't addressed she says she's due a refund under R's terms and conditions.

Mrs M complained to R but was informed in June 2024 that they didn't think they'd done anything wrong and so a refund wouldn't be due.

Mrs M subsequently contacted Halifax to raise a chargeback claim against R and a Consumer Credit Act 1974 ("CCA") section 75 claim ("S75") against Halifax. Halifax didn't raise a chargeback claim for Mrs M as they felt there was little chance of success.

They also said there wasn't a valid S75 claim against them as it didn't fall within the financial limits required under CCA.

As Mrs M didn't agree, and Halifax's subsequent final response confirmed their position, she referred her complaint to our service.

Our investigator looked at the complaint but didn't uphold it. They said Halifax had the right not to raise a chargeback claim under the circumstances and agreed there was limited prospect of success. They also didn't think Halifax had done anything wrong in their determination of the evidence submitted by Mrs M.

They also explained that in relation to a valid S75 claim, the cash price of the transaction was outside the required financial limits and so S75 wouldn't apply here.

Mrs M 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 Mrs M paid for this transaction using her credit card, both chargeback and a S75 claim could possibly help her. 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 note our investigator referred to the card scheme rules as VISA in error but I don't think this changes matters overall here. I've considered the relevant Mastercard chargeback rules in deciding whether Halifax acted fairly.

I note Mrs M's chargeback claim would fall under 'goods/services either not as described or defective'. While I don't have a copy of the hotel room booking, Halifax has confirmed the transaction date and amount paid to R. The service provided by R isn't under dispute by the parties concerned here and I'm satisfied it was for the provision of a hotel room. I also note that the disputed amount under chargeback was for £65.00 rather than the paid amount of £82.98.

Mrs M has provided a photograph of her hotel room thermostat which shows 23 degrees Celsius. I note the thermostat also says it '*controls the heater operation but cannot cool the room*'. She also references R's guarantee on their website that if their customers don't have a good night sleep, they may be due a refund. I've reviewed R's terms and conditions and note section 12 refers to this guarantee and lists several exclusions. The first says:

"1. Our Good Night Guarantee does not apply where you do not have a great night's sleep due to (i) circumstances arising from the lack of a facility at a hotel where that facility was not included in the facility set of the hotel displayed or communicated to you when you made your booking (for example, due to hot weather and a lack of air conditioning, you did not have a great night's sleep, but air conditioning was not listed as a facility at that hotel in the booking process – so please carefully check the facilities at your hotel when booking);"

R acknowledged Mrs M felt her room was too hot but as there was no air conditioning present, they said a refund wouldn't be due per these terms and conditions. I note they also didn't comment on a known heating issue within her room either. Halifax therefore didn't raise a chargeback claim as Mrs M stayed overnight in her room and these terms and conditions confirmed she wouldn't be due a refund.

Mrs M has said the temperature inside the room was higher than outside and also queried why a thermostat was present if it couldn't be adjusted. Regarding this, I've insufficient evidence that the temperature was higher due to any type of room heating.

The thermostat picture does say it's to control the heating but not to cool the room. This means you may be able to heat the room further but not lower it below the normal ambient room temperature when the heating is off.

It therefore seems likely that the thermostat display showed the room temperature but may have had a secondary function to set the target temperature. But as mentioned if the actual temperature is higher than the target one, it wouldn't come down due to lack of air conditioning.

Regardless this means the numbers on the thermostat are not sufficient to confirm that there was an issue with the heating in the room. With all of this in mind, it's more likely this was the normal ambient room temperature at the time and so there wouldn't be a way to reduce it further without the use of air conditioning, which wasn't available.

I've reviewed the temperature at the time however and agree it likely that it was cooler outside the hotel than within the room, especially during the night. While I can't explain this, it could've been due to several other factors including the room location within the hotel. Mrs M also mentioned her family was staying with her, so four people. It could be a case of the number of people in the room contributing to the higher temperature, dependant again on the room size, but again the issue seems more to do with the inability to cool the room due to lack of air conditioning.

As R's terms and conditions make it clear the good night guarantee and the eligibility to a refund wouldn't be due when air conditioning isn't available and there is a resultant higher temperature, and as I've insufficient evidence of an inherent heating issue, I don't think Halifax did anything wrong here in not raising a chargeback claim under these circumstances.

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.

Halifax says however that the financial limits required for a S75 claim haven't been met. Mrs M would've needed to make a transaction with a cash price of over £100 but no more than £30,000. I see the hotel booking transaction was £82.98 and so I'm satisfied the financial limits haven't been met for a valid S75 claim. I therefore consider Halifax hasn't done anything wrong in not raising a S75 claim.

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 Mrs M to accept or reject my decision before 23 April 2025.

Viral Patel
Ombudsman