

## **The complaint**

Mr M complains that Vanquis Bank Limited has not refunded a credit card payment for a flight which was not provided.

## **What happened**

Mr M and his wife were booked on a flight in December 2023. Unfortunately, they missed it. Mr M has explained that, because there were no seats immediately available on any suitable alternative flights, he and his wife were placed on standby lists offered by four different airlines. They paid a fee to each of the four airlines to be placed on those lists.

One of those airlines was able to provide a suitable flight, which Mr and Mrs M took. Two provided refunds. The fourth, however, did not provide a refund, even though Mr and Mrs M did not take a flight with it.

Mr M had used his Vanquis credit card to pay the airline, so he contacted the bank seeking a refund. Initially, Mr M's credit card account was credited with the payment, but the bank subsequently re-debited it. Mr M complained to this service.

Our investigator considered what had happened and issued two assessments. She did not recommend that Mr M's complaint be upheld. Mr M did not accept the investigator's view 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.

There are two potential routes by which Mr M might be entitled to a refund in this case – chargeback and under section 75 of the Consumer Credit Act 1974. I'll discuss each in turn.

### **Chargeback**

Where goods or services are paid for with a debit or credit card and a dispute arises, it is sometimes possible to resolve that dispute through the chargeback process. Chargeback is a scheme run by the card schemes (in this case, Visa). A card issuer (here, Vanquis) 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 primarily a scheme for resolving disputes about payment settlements – including where goods or services have been paid for but not provided. 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, Mr M says that he was told that he would receive a refund if he did not take a flight with the airline. He did not, he says, make a booking; his payment was simply to have his and his wife's names put on a standby list. And he says it is clear he did not take a flight with the airline, since he took a different flight at the same time.

I accept that Mr M did not take a flight with the airline which took the payment from his Vanquis credit card. That does not however mean that he is entitled to a refund. That depends on the terms on which the payment was taken. Mr M has, unfortunately, been unable to provide any evidence of what those terms were. He says he was told that he would receive a refund if he didn't take a flight, but that is not documented anywhere. Nor has Mr M explained how, if he decided he no longer needed to be on a standby list, he could have his name removed from it. And it is not clear either how Mr M would have told the airline that he needed seats on a flight, had they come available.

In the circumstances, I can understand why Vanquis took the view that a chargeback was unlikely to be successful in this case. There simply wasn't enough evidence to support it.

### ***Section 75 Consumer Credit Act 1974***

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 Vanquis, the airline and Mr M are present in this case, and the transaction falls within the relevant financial parameters. I have therefore considered Mr M's dealings with the airline.

Unfortunately, I believe that Mr M faces the same obstacles as with a chargeback claim. Clearly, Mr M made a payment to the airline, using his credit card. And there is persuasive, if circumstantial, evidence that he and Mrs M did not take flights with that airline. But there is no documentary evidence to show what Mr M agreed with the airline and, therefore, no compelling evidence of any breach of contract or misrepresentation.

I note that Mr M has set out what he considers to be the position when a prospective passenger is placed on an airline's standby list. I don't believe however that is sufficient for me to conclude that that was the basis on which he dealt with the airline here – especially given the lack of any documentation.

It is not for me to say whether Mr M does in fact have a claim against the airline. Nor is it for me to decide whether he has a claim against Vanquis under section 75. What I must do is decide what I consider to be a fair resolution of Mr M's complaint about Vanquis's decision to decline his claim. In the circumstances, however, I think it was reasonable of Vanquis to do so.

I would comment finally on Mr M's suggestion that Vanquis did not provide Mr M with enough guidance about how to bring a claim. I do not however believe that to be a justifiable criticism. Vanquis did ask Mr M to provide documents to support his case, but he said that he was unable to do so. Vanquis would not have known what documents might have been issued showing the terms on which he had dealt with the airline, so was not in a position to ask for specific documents from Mr M.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 May 2025.

Mike Ingram  
**Ombudsman**