

The complaint

Mr G complains that Bank of Scotland plc, trading as Halifax, won't refund to him the money that he paid to an online retailer.

What happened

Mr G used his Halifax debit card in December 2023 to pay £72.95 to an online retailer for some jewellery to be delivered to him. He didn't receive the jewellery so he contacted the online retailer and he asked Halifax to claim a refund.

Halifax made a chargeback claim to the online retailer and it says that it made a temporary refund to Mr G's account. The online retailer said that the jewellery had been delivered to Mr G and it provided evidence from the delivery company showing that it had been left by what it said was Mr G's door. Halifax then re-debited the payment from Mr G's account so Mr G complained to Halifax. It said that the online retailer challenged the dispute successfully and provided evidence that the goods had been delivered to Mr G's address so it was unable to challenge that any further. It credited £40 to Mr G's account because of the service that he'd received. Mr G wasn't satisfied with its response so complained to this service.

Mr G's complaint was looked at by one of this service's investigators and Halifax then offered to pay another £30 compensation to Mr G. Having considered everything, the investigator thought that there were customer service failings by Halifax but he didn't think that they changed the outcome of the chargeback claim so he thought that the £70 compensation that it had offered was a fair resolution to Mr G's complaint.

Mr G didn't accept the investigator's findings and has asked for his complaint to be considered by an ombudsman. He says, in summary and amongst other things, that:

- he's never heard of jewellery that was specially made being left on a doorstep, his front door isn't the door shown in the delivery company's photo and he was offered a full refund by the online retailer if he cancelled his chargeback claim which he refused to do; and
- the chargeback was raised as the jewellery wasn't received and it's not received until it's in his hands, not being told that the chargeback would be reversed went against the banking code and the customer has the right of appeal which he didn't receive;

and he's described his issues with Halifax's customer service.

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.

When Mr G hadn't received the jewellery, he contacted the online retailer and asked Halifax to make a chargeback claim. The online retailer offered to send him a replacement and,

when Mr G didn't accept that, it said that it would refund the payment to him but asked him to first cancel the disputed payment that he'd raised with Halifax. Had Mr G cancelled the payment dispute and accepted the refund from the online retailer, the issues with Halifax about which he's complained to this service would likely have been avoided and I consider it to be more likely than not that the online retailer would have refunded the £72.95 to him – but he didn't agree to cancel his disputed payment so the online retailer didn't refund his payment to him.

If a consumer disputes a card payment, the card issuer may be able to make a chargeback claim to the merchant under the relevant card scheme to try to settle the dispute. There's no right for a consumer to require that a chargeback claim be made and the applicable scheme rules set out the disputes that can be considered and the time limits for making a claim. If the right to make a chargeback claim exists under the applicable scheme rules, and if there's a reasonable prospect of success, I consider it to be good practice for a chargeback claim to be made.

Halifax made a chargeback claim to the online retailer but it challenged the dispute and provided evidence that it said showed that the jewellery had been delivered to Mr G's address. Halifax then decided not to pursue the claim any further. I consider that Halifax acted fairly and reasonably, and as I would expect it to, by making a chargeback claim in these circumstances. I'm not persuaded that it acted incorrectly when it decided not to pursue the claim any further and I'm not persuaded that it would be fair or reasonable for me to require Halifax to refund the £72.95 to Mr G.

Halifax accepted that there had been some customer service issues and it credited £40 to Mr G's account. When Mr G's complaint was being investigated by this service, it offered to pay him an extra £30 compensation. Mr G has described, in his response to the investigator's findings, his issues with Halifax's customer service and he says:

"Then we have the customer service or lack of it from Halifax, proof of me being informed of the reversal would be sent by email within 3 days that never happened, a complaints manager telling me that I was never told that I would get a copy of my original complaint by email, being accused of being aggressive and threatened with my account being closed when I phoned to get an update for my complaint, another time told that if I complained then it would be classed as a new complaint instead of a normal person saying we will tag it onto the existing ones, the complaints manager not phoning me when she was meant to, no updates on my complaint with the 3 other advisors that I spoke to and how they were dealt with".

It's clear that Mr G feels strongly that Halifax's customer service hasn't been acceptable. Halifax has apologised that the service wasn't what it would expect him to receive and it paid him £40 compensation and has offered to pay him an extra £30. I consider that a total of £70 compensation is fair and reasonable compensation for the customer service issues that Mr G has experienced. I'm not persuaded that a higher award of compensation is justified in these circumstances or that it would be fair or reasonable for me to require Halifax to take any other action in response to Mr G's complaint.

Putting things right

I find that it would be fair and reasonable for Halifax to pay to Mr G the extra £30 compensation that it has offered to pay to him. That will take the total compensation that he's received from Halifax for the issues about which he's complained to £70.

My final decision

My decision is that I uphold Mr G's complaint in part and order Bank of Scotland plc, trading

as Halifax, to pay a further £30 compensation to him

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 March 2025.

Jarrold Hastings
Ombudsman