

The complaint

Mr A complains that Lloyds Bank PLC declined his claim for a refund of a payment he made using his Lloyds credit card account.

What happened

In May 2023, Mr A used his Lloyds credit card to pay a firm (that I'll refer to as P) £249 for a training course to teach him about trading. However, Mr A said P didn't provide the service it promised and, alongside a third-party, defrauded him of a lot of money.

In March 2024, Mr A contacted Lloyds to make a claim under Section 75 of the Consumer Credit Act 1974 ('Section 75') for his £249 payment to P. Mr A said he wasn't given a copy of any contract or terms and conditions by P. Without any documentation to support Mr A's claim, Lloyds said there was insufficient evidence of any misrepresentation or breach of contract on P's part.

Mr A complained but Lloyds didn't uphold his complaint, so he referred it to our service. Mr A said P had blocked his access to his documentation, which he shouldn't be penalised for. Mr A added he had tried to cancel the course within the 14 day 'cooling off' period.

Having reviewed this complaint, our Investigator said Mr A had contacted Lloyds too late to raise a chargeback. The Investigator also said Lloyds's decision to decline Mr A's Section 75 claim was reasonable because there was insufficient evidence to show P breached its contract or misrepresented anything.

Mr A asked for an Ombudsman to review his complaint. Mr A added P's course content manipulated participants into borrowing large sums of money with false promises of guaranteed returns and felt the extraordinary circumstances of his claim meant Lloyds should have raised a chargeback on his behalf. Mr A felt Lloyds failed to protect him or provide him with the necessary support during a distressing time.

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.

Having done so, I'm sorry Mr A has lost a lot of money. However, my role here is to decide whether Lloyds has treated Mr A fairly when declining his claims for a refund of the £249 paid to P in May 2023. I've not considered any of the claim Mr A has made about the third party as it isn't involved in this complaint.

Mr A says Lloyds failed to provide him with the necessary support during a time of financial and emotional distress. However, I think Lloyds took reasonable steps to support Mr A by considering his Section 75 claim. Lloyds decided not to raise a chargeback because it was too late to do so, and I think this was also a reasonable decision. I'll explain why.

Chargeback

In certain circumstances, chargeback provides a way for Lloyds to ask the recipient for the payment Mr A made to be refunded. However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case, it is unclear whether this is VISA or Mastercard so I have considered both schemes). In both schemes, there are time limits for raising a chargeback, which had already passed by the time Mr A contacted Lloyds. Regardless of the extraordinary circumstances of Mr A's claim, a chargeback would not have been successful because of both VISA and Mastercard's strict time limits. So, I think Lloyds was right not to raise a chargeback.

Section 75

Section 75 allows a customer to submit a claim for breach of contract or misrepresentation by a supplier to their credit provider. It's not been argued that any of the technical conditions for a Section 75 claim have not been met and, having considered the available evidence, I conclude the technical conditions have been met for Mr A's claim for the £275 paid to P.

Mr P says he can't provide any documentation to support his claims but shouldn't be penalised because P has withheld information from him. But without any detailed description to show what Mr A purchased, or details of the service P promised to deliver, it is difficult for Lloyds to know what the terms of any contract Mr A had with P were. There is also no documentation to support Mr A's claims that P has withheld information from him, failed to provide the promised course or introduced him to the third party. Without any documentation whatsoever to support Mr A's claims, I think it was reasonable for Lloyds to conclude there was insufficient evidence to show there was any misrepresentation or breach of contract on P's part.

I note Mr A told our service he attempted to cancel his contract with P within a 14 day 'cooling off' period, so should have been entitled to a refund. However, Mr A hasn't provided any documentation to support his claims. So, I don't think there is sufficient evidence to show Mr A was entitled to a refund from P. I've seen no evidence that makes me think Lloyds should have met Mr A's Section 75 claim.

My final decision

I realise my decision will disappoint Mr A, but I have not upheld his complaint for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 July 2025.

Victoria Blackwood

Ombudsman