

The complaint

Miss H complains Bank of Scotland plc trading as Halifax didn't do enough to help get a refund for a purchase made on her debit card.

What happened

Miss H booked a holiday, paying in instalments with her Halifax debit card between January and July 2024. On arrival Miss H says the accommodation wasn't up to the standard expected. As a wheelchair user, Miss H says she'd requested adapted accommodation, but this wasn't provided, with the shower room being too small and leaking, there only being a single bed and no ramp access, amongst other problems.

Miss H says the problems with the accommodation ruined her holiday and having raised her concerns with the provider of the accommodation, it hadn't offered any solutions and then hadn't responded to her complaint.

When returning from the holiday, Miss H contacted Halifax for help in getting a refund. Halifax said the only option available would be to raise a chargeback (a means of challenging the transaction through the card scheme provider – VISA), however as Miss H had stayed at the accommodation for the duration of her trip, it didn't have any route to dispute the amount she'd paid.

Miss H complained, saying the accommodation hadn't been what she'd booked and that it had ruined her stay. Halifax empathised but reiterated that it couldn't raise a chargeback on the basis Miss H had stayed for the full booking. It therefore didn't agree it had done anything wrong.

I issued a provisional decision explaining why I thought Halifax hadn't done something wrong in not raising a chargeback, setting out the following:

In this complaint I'm looking at the actions of Halifax and whether it acted fairly and reasonably in the way it handled Miss H's request for help in getting her money back. This will take into account the circumstances of the dispute as well as considering the card scheme rules, which Halifax must follow and its own obligations.

Miss H paid using her debit card. This meant the only realistic option available to Halifax to get the money back was to engage with a process known as chargeback.

The chargeback process provides a way for a bank to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the supplier and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme (VISA) and if these are not met, a chargeback is unlikely to succeed. So, it isn't for Halifax to decide whether Miss H should get a refund based solely on her dispute with the accommodation provider. Rather Halifax must consider whether the circumstances of Miss H's claim meet the requirements as set out in the chargeback rules.

Halifax says that as Miss H stayed for the entirety of her booking, although the accommodation may not have been what she'd booked, it had no route to challenge this through the chargeback process.

The applicable chargeback code for Miss H's claim would be: Not as Described or Defective Merchandise/Services.

The scheme rules then go on to set out criteria of what the chargeback covers and what evidence is needed. One of the conditions of this chargeback code is the following:

The Dispute amount is limited to one of the following:
– The unused portion of the cancelled service

So, while I appreciate this won't be the answer Miss H is hoping for, I don't think Halifax was wrong not to raise a chargeback. The card scheme rules set out a claim can only be raised for the unused part of a booking, if the service is defective or not as described. I'm sorry to hear the accommodation fell below the standards Miss H was expecting and that she didn't have an alternative option but to stay for the full reservation. However, as she used the accommodation for the full duration of her booking, I think Halifax has fairly considered her concerns against the chargeback scheme rules.

As I don't think Halifax has done anything wrong in assessing Miss H's request for help in getting a refund, I think don't find that it needs to do anything further to resolve this complaint.

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.

Halifax didn't provide any further comments to my provisional findings. Miss H disagreed, reiterating that she had no choice but to stay for the duration of the trip and the provider of the accommodation ignored her concerns, so it was unfair that she'd had to pay so much for the stay.

I'm sorry to hear of how disappointing Miss H found her holiday, however in this decision I'm only able to consider the actions of Halifax and not the provider of the accommodation. And in doing that, I must consider whether Halifax did what it was required to, against the rules of the chargeback process.

It isn't for Halifax alone to decide whether the accommodation was to the standard expected. Rather Halifax was required to consider the details of Miss H's dispute, against the chargeback rules. For the reasons set out in my provisional findings above, I think it was reasonable not to raise a chargeback as there wasn't a route within the card scheme rules through which Halifax could request a refund from the accommodation provider.

Therefore, my decision remains, that Halifax didn't make an error in not raising a chargeback for Miss H on this dispute.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 13 March 2025.

Christopher Convery
Ombudsman