

## **The complaint**

Miss J complains about how Lloyds Bank PLC handled her chargeback claim.

## **What happened**

In September 2023, Miss J used her debit card to pay for accommodation; she used an online property booking service to do so.

Unfortunately, when Miss J arrived at the property she'd booked, she found several issues with it and, broadly, considered it unsafe. Miss J did stay at the property, despite the issues, and subsequently complained to the booking site. She was issued with a partial refund, but this didn't resolve the matter to her satisfaction. So, in October 2023, she approached Lloyds and asked for help in raising a chargeback for the full amount she'd paid.

Lloyds reviewed Miss J's chargeback claim and it asked her to provide further information, but while she did engage with the bank, Miss J didn't provide all that Lloyds had asked for. Ultimately, after some months, Lloyds said it wouldn't proceed with Miss J's chargeback claim.

Miss J was unhappy, so she complained to Lloyds. The bank didn't think it had done anything wrong; it reiterated that it had asked Miss J for information – which hadn't been provided – and it also referenced some rules, applicable to Miss J's scenario, which suggested the claim was now too late.

In April 2024, Miss J brought her complaint to this Service for an independent review. An Investigator here considered what had happened; he didn't think Lloyds needed to do anything more. He thought Lloyds had correctly reviewed Miss J's chargeback claim and made a reasonable decision not to proceed; he said regardless of the issues with Lloyds' communication, and lack of information from Miss J, a chargeback wouldn't have succeeded in any event.

The Investigator did acknowledge that Lloyds could've been clearer when requesting information but, overall, Miss J's chargeback was never likely to be successful. That's because it didn't appear she had a valid claim, given she'd stayed in the property for the duration of her visit without cancelling.

Miss J remained unhappy, and she asked for an Ombudsman's decision. So, as no agreement has been reached, her complaint has been passed to me to decide.

## **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.

Before I explain my rationale here, I can see from Miss J's latest correspondence that she's said her complaint only centres on Lloyds' actions – not the chargeback rules set by the card scheme. I have, of course, reviewed Lloyds' actions here; but I've first covered the chargeback itself and the rules set by the relevant card scheme, because I think it provides

important context.

Moreover, I'll say that while I have read and considered all that she's provided, I haven't commented on each and every statement Miss J has made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose.

### Miss J's chargeback

Broadly speaking, the chargeback process provides a way for the card issuer – that's Miss J's bank, Lloyds – to help a customer claim a full or partial refund of the amount they paid on their card, if certain things go wrong with what they've purchased.

The process is mediated by the card scheme whose logo appears on the card in question; for Miss J, that's Visa. Card schemes set various rules covering things such as what sort of scenarios are eligible for a chargeback, the kind of evidence required, and how long a person has to submit one.

It is, generally speaking, good practice for a card issuer to attempt a chargeback where the right exists and there's some prospect of success. That said, they're not guaranteed to be successful, and a consumer isn't able to demand that their card issuer attempt one. A chargeback can be defended too; the party which received the payment – generally known as the 'merchant' – can resist a chargeback attempt. If neither the consumer nor the merchant concedes then, ultimately, the card scheme itself can be asked to rule on the dispute in a process called arbitration.

Having considered the circumstances of Miss J's dispute, alongside Visa's rules and guidance, I think it's unlikely a chargeback would've been successful. That's because for scenarios like hers, where services have not been as described, or were defective in some way, Visa's rules say that such disputes can only be made for the "*unused portion*" of the service.

Here, from what I've seen, there was no unused portion. Instead, Miss J stayed at the property for the full duration of the time she'd booked and paid for – leaving no part of the service unused. There are no doubt reasons why Miss J chose to do that; it seems she was a long way from home, and it would've been short notice to find somewhere else. The fact is, though, that Visa's rules – and limitations within them – are clear; and they aren't something Lloyds can choose to waive, amend or bypass. So, in terms of the chargeback itself, in Miss J's circumstances here, I don't find it likely that it ever would've been successful.

### Lloyds' administration

The heart of Miss J's complaint, she says, is Lloyds' actions. Specifically, I know she's unhappy with how Lloyds asked her for information; she says it didn't tell her exactly what it needed from her.

I've reviewed the correspondence between Miss J and Lloyds from the time she raised the chargeback, up to its conclusion. Having done so, I can see that several messages were exchanged. I do think that the bank could've been clearer in its requests – particularly around why certain information, like a date of cancellation, was principally important – rather than sending what, on the face of it, seemed to be the same, or at least very similar, messages to Miss J.

On balance, though, from what I've seen, I don't agree that Lloyds didn't explain what it required. It's provided screenshots of what it asked in its messages to Miss J; specifically, on

two occasions, Lloyds asked Miss J for the date she'd cancelled the service. From the evidence I have available, Lloyds didn't receive a response to that question.

In any event, even if Lloyds had been clearer and more helpful in its communication – which, for the avoidance of doubt, I think it could've been – and even if Miss J had provided what it required, I don't think the overall outcome would be any different. Instead, my view is that Miss J would ultimately have ended up in the same position. I say that for the reasons I've explained above; Visa's rules mean a chargeback in this scenario wouldn't be successful.

### Overall

To sum up, I can understand Miss J's frustration at what happened; not least because she stayed in accommodation which didn't meet her expectations. I'm sorry to hear that Miss J didn't enjoy the accommodation she'd booked for her trip and, separately, I do think the bank could perhaps have been a little more helpful here in terms of its administration.

That said, for the reasons I've explained, I don't think Lloyds caused Miss J to lose out, or that its handling of the matter amounted to considerable inconvenience. I'm satisfied that a chargeback was never likely to succeed here, and that the bank was clear enough in terms of what information it needed. So, with all of that in mind, I don't require Lloyds to take any further action – and it follows that I don't uphold Miss J's complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 28 April 2025.

Simon Louth  
**Ombudsman**