

The complaint

Mr L complains Bank of Scotland plc (trading as “Halifax”) failed to pay him compensation or reimburse him for expenses he incurred resulting from two flight delays.

What happened

On or around 10 September 2024, Mr L paid approximately £1,000 on his Halifax credit card for flights for himself and his family from an airline (which I’ll call “R”). He was due to depart Cyprus on 15 October 2024 at around 5:25pm and arrive in Israel at 6:25pm the same day.

Mr L says his flight was delayed for over four hours. He asked R to compensate him for the delays, but it refused to pay him anything. So he asked Halifax for help.

As the type of dispute Mr L raised wasn’t suitable for the chargeback scheme, Halifax considered his claim under section 75 Consumer Credit Act 1974 (“section 75”), to see if it was responsible for a breach of contract by R.

Halifax said R’s contract terms don’t obligate it to pay Mr L compensation for flight delays. It said he might have a right to compensation under Israel’s Aviation Services Law – but as that doesn’t involve a contractual right to compensation, R’s failure to pay wouldn’t amount to a breach of contract and therefore Halifax wouldn’t have any liability under section 75.

Mr L also asked Halifax to consider a second section 75 claim for his family’s return flights to the UK from Israel, also paid for with his Halifax credit card. The return journey involved flights over two legs, with two different airlines. An airline — which I’ll call “E” — supplied the first flight, which departed on 29 October 2024 and unfortunately arrived two hours late.

The late arrival meant Mr L and his family missed their connecting flight. Mr L said he incurred about £10,000 in extra costs to get back to the UK – including the purchase of a whole new set of flights for his family. He complained to E, but it said it wasn’t responsible because the connecting flight was with a different airline.

Halifax said his dispute wasn’t suitable for the chargeback scheme. It also said Mr L didn’t have a valid claim under section 75 for the return flight, as the costs of each ticket were outside the financial limits for section 75 to apply. So it declined Mr L’s second claim too.

Our investigator thought Halifax acted fairly, but Mr L disagreed. He said his flights with R and E were for specified departure and arrival times — and as the airlines didn’t adhere to them, this amounted to a breach of contract. The matter has come to me for a decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality. I’d like to assure both parties I’ve considered everything they’ve sent.

It's important to note that Halifax didn't supply the flights. Its role is limited to what would reasonably be expected of it as a provider of financial services. In that respect I consider section 75 and chargeback to be particularly relevant here, so I will focus on these when deciding if Halifax acted fairly.

Section 75 Consumer Credit Act 1974

Under section 75, Mr L can hold Halifax liable for a breach of contract or misrepresentation by E or R with respect to the supplied flights if certain criteria are met.

For example, the relevant legislation says section 75 doesn't apply "to any single item to which the supplier has attached a cash price not exceeding £100 or more than £30,000..."

The reference to single item means I have to look at the cash price of each flight ticket.

As E's invoice shows each ticket costs under £100, it's clear the ticket prices are outside the cash price limits outlined in section 75. So Mr L cannot make a valid section 75 claim against Halifax for any breach of contract by E. That would be the case even if E was liable for Mr L's losses resulting from his missed connecting flight. It follows that I don't find that Halifax acted unfairly when it declined Mr L's section 75 claim for these losses.

That said, Mr L's flights with R do engage section 75 because each ticket had cost over £100 and under £30,000. So for this claim, the key issue is whether there's been any breach of contract or misrepresentation by R that Halifax is also responsible for under section 75.

Mr L hasn't said R made a misrepresentation, nor have I seen any evidence of a misrepresentation. So I don't feel I need to expand any further. Instead, I've focused on Mr L's main complaint — that because R's flight both departed and arrived over four hours after the scheduled times, there's been a breach of contract for which Halifax is responsible.

Mr L hasn't referred to any specific contract terms that R breached. On that basis alone, I don't think he's done enough to evidence there's been a breach of contract. I say that because flight delays are common in the airline industry, are usually accounted for in the terms, and schedule times aren't generally guaranteed. So if Mr L wanted to successfully argue a delayed flight amounts to a breach of contract, he'd have needed to show his flight time was guaranteed and be more specific about which contract term had been breached.

However, even if Mr L had referred to R's terms, I don't think they would have provided him with much assistance. According to the terms on R's website, scheduled flight times aren't guaranteed, don't form part of the contract, and may change if necessary. So I don't think the delayed departure amounts to a breach of contract. Additionally, I cannot see anywhere in the contract that incorporates statutory rights to compensation for delays into the contract as contract terms. That means if Mr L did have a statutory right to compensation, R refusing to pay compensation would simply be a breach of a statutory rather than a contractual duty.

I'm aware Mr L had already sought to rely on his statutory rights to compensation in a claim against R, after R said he might be entitled to compensation under Israel's Aviation Services Law. This piece of legislation, passed by Israel in 2012, is relevant to delayed flights either entering or departing from Israel — and entitles passengers to compensation for flight delays in certain circumstances.

But having read the relevant law, I cannot see anywhere that automatically implies rights to compensation into a contract for carriage as a contract term. Rights to compensation for delays appear to be standalone statutory rights only, and not relevant to a section 75 claim.

In short, Mr L can only make a valid section 75 claim against R, not E. But as there's no evidence of either a misrepresentation or breach of contract by R, Halifax has no liability under section 75 as things currently stand. That's not to say Mr L has no statutory rights to compensation from R. But if he does, Halifax isn't responsible for ensuring he's paid.

Chargeback

In the interest of completeness, I also considered if Mr L's claims could have been successful under the chargeback route.

The relevant chargeback scheme here is Mastercard. But there doesn't appear to be a suitable reason code under the scheme that covers Mr L's dispute. So like Halifax and our investigator, I don't think such a claim would have had reasonable prospects of success.

Even if it could be argued that Mr L's dispute could fit into one of Mastercard's dispute categories — the fact that neither R or E's terms guarantee flight times, and that R and E provided the flight services, means such a claim would unlikely be successful.

In summary, I don't think Halifax acted unfairly in declining either claim, so I won't direct it to do anything further.

I'm aware Mr L has already started exploring other forums to obtain statutory compensation for the flight delays. He may wish to continue pursuing these other routes with the appropriate advice, if he still feels his statutory claim to compensation has merit.

My final decision

My final decision is that I do not uphold this complaint.

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

Alex Watts
Ombudsman