

The complaint

Mr A complains that Lloyds Bank PLC failed to reclaim payments he made from his debit card.

What happened

In 2023, Mr A used an online platform – which I’ll refer to as “U” – to enlist the help of a freelancer. In summary, Mr A wanted someone to assist him with preparing legal documents for a dispute that he was looking to take to court. A freelancer, who I’ll refer to as “K”, responded to Mr A’s request and said she could help. For the work, Mr A made two payments to U; he paid £113.73 on 15 September and, a few days later, on 21 September, £140.29.

U’s platform allows users, like Mr A here, to assess the quality of the work produced before they pay for it – requesting changes or amendments if they aren’t happy. So, essentially, at points in the journey, users of U can “approve” what a freelancer has delivered – U calls these points ‘milestones’. Broadly speaking, approving each milestone acts as confirmation that users are happy with the work a freelancer has provided.

Unfortunately, despite approving the two milestones for his particular job, in the end, Mr A was unhappy with the standard of K’s work. He’s told this Service that it wasn’t correct or fully complete; nor was it even suitable for submission to court. Mr A complained to K directly, and to U as the facilitating platform. Overall, though, his complaints were rebuffed. K defended her work, holding the view that she’d complied with the instructions provided by Mr A. U investigated, it asked both parties for evidence to back-up their respective positions and, ultimately, determined that K had fulfilled the job. So, Mr A approached Lloyds for help in raising a chargeback.

Shortly afterwards, Lloyds told Mr A it couldn’t help. In a brief explanation, Lloyds said there was no good evidence to show Mr A hadn’t received what he’d asked for. So, it didn’t agree to refund the payments Mr A had made.

Mr A complained, but Lloyds maintained that it had assessed his dispute correctly. So, Mr A brought his 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 said, in light of the available evidence, Lloyds had made a reasonable decision not to proceed with Mr A’s chargeback. The Investigator referenced how there wasn’t enough evidence to conclude that K’s work didn’t meet the job specification and that, ultimately, Mr A had accepted the work by approving U’s milestones.

Mr A disagreed and, largely, he reiterated his points about the standard of K’s work – as well as his unhappiness at how U, and subsequently Lloyds, had handled the dispute. So, as no agreement has been reached, the 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.

Preamble

Before I move to address the merits of Mr A's complaint, there are some more general points I wish to set out first. I think it's worthwhile doing so because I know how strongly Mr A feels about this matter; he's provided a significant level of testimony and supporting documentation, and he's also commented more broadly on the remit of our Service. So, I want to be clear that my role is to decide whether the business here, Lloyds, has acted fairly and reasonably in the circumstances of this specific matter.

Moreover, while I've read and considered all that Mr A has said and provided, I haven't commented on each and every statement he's 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.

Finally, I note that Mr A has said he would like to discuss his complaint with me, as the deciding Ombudsman, by telephone. I can understand why Mr A might like to do this – and I hope that Mr A doesn't take this as a discourtesy – but I'm satisfied this isn't necessary, and I can fairly and reasonably decide this case based on what both parties have said and submitted.

Mr A's chargeback

For completeness, I'll explain that the chargeback process provides a way for the card issuer – in this case that's Mr A'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 Mr A, this is 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.

From what I've seen, unhappy with K's work, and unable to resolve matters with U, Mr A presented Lloyds with a scenario in which a chargeback can generally be attempted. Essentially, he said that the service provided to him wasn't as described – or that it was defective in some way. But while it may be the case that chargebacks can be attempted in such circumstances; I don't think, had it been, that it would've been successful here. I'll explain why.

Having reviewed the evidence provided, Mr A's job specification – posted to U – was:

"I'm looking for help preprimg [sic] documents and organzingevidence [sic] for a legal matter. I need help however ongoing, so looking for someone reliable."

Mr A then went on, in direct discussion with K, to be more specific about what he needed. In

short, he asked her to help prepare a specific document. It's certainly clear that, upon completion, Mr A felt K's work didn't meet the standard he required. It's equally clear, though, that K felt it did; it's apparent that she strongly disputed allegations she hadn't provided the service as agreed.

On that basis, I think it most likely that U – as the merchant here – would have opposed and defended any chargeback attempt. And while I won't know for certain what view Visa would have held had a chargeback been taken all the way through to arbitration, I think, on balance, U's arguments and evidence would've been favoured over Mr A's. I say that because U could show how K had explained, in detail, why she thought the work she'd produced met the job specification Mr A had set out. Mr A had approved U's milestones too; essentially, accepting K's work. Keeping that in mind, my perspective is Lloyds had no good evidence, at the time, which conclusively demonstrated that what K had produced fell below what Mr A had requested.

As a further point – even if I put all I've said above to one side – I'm also minded to point out how Visa's rules explain that to raise a dispute like Mr A's, a cardholder must cancel (or attempt to cancel) the services. Additionally, the amount which can be reclaimed in such disputes, where a service isn't as described, or defective, is limited to the "unused portion" of the cancelled service. Given Mr A approved both of U's milestones, it seems without ever formally cancelling, and given he was ultimately provided with something from K which she said met his specifications, it's surely possible that Lloyds – and Visa – would consider this to be an invalid dispute and/or there to be no "unused portion". If that was the case (which I'd think probable here), a chargeback wouldn't be successful given the limitations in Visa's rules.

Overall then, I'm not persuaded that a chargeback raised here would've had much chance of succeeding. It follows that it's not fair for me to conclude that Lloyds caused Mr A to lose out by not attempting one.

I'm well aware that Mr A will disagree with what I've said, he's pointed to various parts of K's work which he says are wrong. He's even provided information to show an application he made to the court was dismissed, in July 2024. That's because the judge found there to be no reasonable grounds for bringing the claim, and Mr A's "statements of claim" to be an abuse of the court's process. I'm not, of course, making any determination on whether K's work was or wasn't good enough. That's not for me to verify. What I can say is that the dismissal happened well after Mr A raised his chargeback with Lloyds. So, the bank wouldn't have been able to review it as part of the chargeback claim he brought. It follows that I can't find it would've made any difference to Lloyds' decision at the time.

Finally, I'll acknowledge how Mr A has mentioned, several times, that his opinion of K is such that he believes she "scammed" him. I'm not making any comment on that here, if Mr A does think he was the victim of a scam that's a separate issue he'll need to address. Instead, my review here is solely to determine if Lloyds acted fairly and reasonably in the circumstances of Mr A's chargeback request and, given what I've set out here, I think it did.

In closing, I know that what I've set out here will greatly disappoint Mr A; I certainly don't mean to downplay the impact this experience has clearly had on him. For the reasons I've explained, though, I can't fairly conclude that Lloyds acted unreasonably in the circumstances when it decided not to pursue a chargeback. So, overall, I don't require Lloyds to take any further action, and I don't uphold Mr A'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 Mr A to accept or reject my decision before 20 May 2025.

Simon Louth
Ombudsman