

The complaint

Mr R has complained about how TSB Bank plc (TSB) handled a refund claim he made to them.

What happened

Mr R purchased several flights from an agent I shall call 'S' using his TSB credit card to travel to a destination in December 2023. However he found that he was unable to catch one connecting flight during his trip as the plane had already taken off by the time he arrived. Mr R says he had to arrange for his on-going journey and therefore suffered consequential financial losses as well as distress and inconvenience for what had happened.

Mr R subsequently contacted TSB in January 2024 to raise a chargeback claim against S and a Consumer Credit Act 1974 ("CCA") section 75 claim ("S75") against TSB. He also contacted S at the same time regarding what had happened.

TSB considered the chargeback claim but said this would've only been for the missed flight. They say they also asked Mr R for further information on the cost of the flight and S's terms and conditions. TSB said that as this wasn't provided a chargeback claim wasn't raised as they didn't think there was a prospect of success had it progressed further.

TSB also raised a S75 claim but said S had since provided an appropriate remedy to Mr R and therefore they didn't need to do anything further. However they offered £100 compensation for their general claims handling which they felt could've been better.

Mr R had accepted a resolution from S in the meantime - this was a refund for the connecting flight ticket along with hotel and refreshment costs. An additional £400 was also offered to Mr R for the distress and inconvenience the missed flight caused him.

While Mr R accepted this at the time, he considered he was still entitled to a full refund. Following Mr R's complaint, TSB issued a final response letter (FRL) confirming the £100 offer and that they didn't think they needed to do anything more as Mr R had been reimbursed for the missed flight, his consequential financial losses as well as compensation for the distress and inconvenience suffered.

As Mr R remained dissatisfied he brought his complaint to this service for consideration. Our investigator reviewed the available evidence and agreed that TSB didn't need to do anything more as he had already accepted a settlement from S and TSB's £100 offer was still available to him.

Mr R didn't agree and asked for an ombudsman to issue a final decision on the matter. While awaiting decision S made a further offer which then included a refund of all the flights booked, both used and unused, however that was inclusive of the £400 paid prior for distress and inconvenience. While Mr R was disappointed with this, the offer was accepted from S for what'd happened.

He remained dissatisfied with TSB's handling of the claims however and considered that if they'd progressed these, this would've meant he'd have received this resolution sooner. Mr R considered that the further compensation should be increased to £360.80 for TSB's handling of his claims, and with S's decision to include the £400 distress and inconvenience amount in their final offer, he felt TSB needed to compensate him for this as well.

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.

I've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that TSB aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr R paid for this transaction using a TSB credit card, both chargeback and a S75 claim could possibly help him. So in deciding what is fair and reasonable I've focussed on this.

In addition I'm mindful that Mr R has already accepted a resolution to his complaint from the supplier S directly so my considerations relate to TSB's handling of the claims Mr R raised with them and if any more compensation is due.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether TSB acted fairly.

The relevant chargeback code here would be 'Goods / Services Were Either Not as Described or Defective'. I've therefore considered the evidence available regarding this chargeback rule and whether Mastercard acted fairly with consideration of Mr R's claim.

TSB initially said they didn't consider they had sufficient evidence to progress the chargeback claim as Mr R hadn't provided a breakdown of the costs for the flight he wasn't able to use and the supplier terms and conditions. However they subsequently said that as Mr R had claimed for a part of his booking they should've done more and so offered £100 compensation to address this.

Mr R has said as TSB didn't progress this claim, they would now be liable to cover the additional £400 that S had offered separately from the full refund along with the £360.80 that he thinks is also due. I can't agree – while S has agreed to refund the full amount more recently, I can't say they wouldn't have challenged the chargeback if it had been raised by TSB earlier during the claim process.

I say this because I'm looking at TSB's handling of the chargeback claim and under this reason code it states that appropriate supporting documentation would need to be provided. In this case TSB considered they needed more information for a reasonable prospect of success.

In any event I would say it is speculative that S would've accepted the claim and provided a full refund at the time if it had been progressed. I say this because S only offered a refund of the on-going flight and the consequential financial losses along with compensation for distress and inconvenience at the time directly to Mr R. They only then decided to offer a full refund over a year later.

While I can't comment on why S has increased this offer at this far later stage, this suggests to me they were unlikely to accept the claim for a full refund at the time if TSB had progressed a chargeback. In addition a chargeback claim wouldn't have covered any payment for financial consequential losses or distress and inconvenience – it would've only been for the transaction claimed for.

I do appreciate that TSB consider they could've handled the claim better and that £100 is appropriate to address this. I think this is fair because the outcome to this claim is speculative and I don't think it's reasonable to ask TSB to offer anything further based on the assertion that this would've resulted in S agreeing to a full refund sooner. Therefore I don't think they need do more here.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, TSB would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and a part of that is there needs to be a valid debtor-creditor-supplier (DCS) agreement in place. This means there needs to be a valid agreement between the 'debtor' who took out the finance and the supplier of goods or services in dispute.

In this case it isn't clear if there is a valid agreement as this would depend on S's terms and conditions and if these confirm that they'd be responsible for the issue with the missed flight instead of the airline. However I don't think the S75 claim would've succeeded in any event so I've not considered this further here and have explained why I think this below.

The crux of Mr R's complaint is the fact he couldn't board one of his connecting flights. This would've needed be considered by TSB under S75 in terms of whether there was a breach of contract to Mr R. However I note that he had already accepted a resolution from S at the time for a refund of the on-going flight, his consequential losses and also £400 compensation.

I've therefore considered whether TSB should've done more with the S75 claim. While I've not seen any evidence to explain why the on-going flight was missed, I understand S has addressed this with their offers to Mr R and I see TSB's FRL on 28 May 2024 after the first payment was made considered this an appropriate remedy.

While I appreciate Mr R thinks TSB should've considered the claim further and concluded more was due, I can't agree. I say this because the offer made by S was in line with what would be expected here – which would be to address the monetary loss from the breach of contract incurred (the cost of the on-going flight) along with the associated consequential financial losses such as the hotel stay.

While I appreciate Mr R has said this experience was distressing for him and his family, non-financial losses such as distress that results from a breach of contract is generally irrecoverable under S75. This means that TSB wouldn't have been liable for this under a S75 claim in any event.

I understand the final offer by S, which has now been accepted by Mr R, is a full refund of both his used and unused flights along with the financial consequential losses. I can't comment further on this offer but for the reasons explained I can't say that TSB would've been liable for a full refund under a S75 claim and in any event this wouldn't have included a payment for the distress and inconvenience suffered.

With all of this in mind, I don't think TSB did anything wrong in not progressing the S75 claim at the time as Mr R had accepted an appropriate remedy from S to address what'd happened.

Mr R's further comments

Mr R provided further submissions and remained of the position that if TSB had progressed his claims further, he would've received his full refund sooner. He also doesn't believe that the offer from S is generous with mind to the impact it had on him and his family.

While I appreciate his position, I can only consider TSB's handling of the claims based on the evidence available to them. I've explained the limitations of both the chargeback and S75 claims above.

I also can't agree that S's later full offer means that TSB should've been liable for the same amount when they reviewed the S75 claim earlier. Without any information on what happened and how they breached their contract to Mr R, I can only rely on the fact that an appropriate earlier offer was made to him at the time which was accepted.

I therefore can't conclude that TSB need do anything more here beyond the £100 compensation they've already offered.

My final decision

For the reasons explained above, I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 October 2025.

Viral Patel
Ombudsman