

The complaint

Mr and Mrs P complain about the way Bank of Scotland plc trading as Halifax ('Halifax'), dealt with a dispute claim raised by Mr P.

For ease of reference, whilst this matter concerns a joint bank account held in Mr and Mrs P's name, as the dispute in question mostly involves Mr P, I'll refer only to him throughout my decision.

What happened

On 13 December 2023, Mr P enrolled on a training course (the 'course') costing a total of £15,000 with an online provider offering, amongst other things, training in trading in speculative financial markets – I will refer to the provider as 'C'. Mr P made payments of £2,000 and £4,985 respectively using his Halifax debit card. He used a credit card (with a different issuer) to pay the remaining balance. On 17 December 2023, Mr P emailed C attempting to cancel the course, but it refused to refund him saying the payments he made were now non-refundable. So, Mr P contacted Halifax on 19 January 2024 to discuss obtaining a refund through the Visa chargeback scheme. However, Mr P said the Halifax agent told him to continue to try to obtain a refund directly from C.

Mr P contacted Halifax again on 22 May 2024. But Halifax declined to initiate a chargeback as it said it had been made too late. It noted that when Mr P called in January 2024, he spoke to an agent in its fraud team. He was then told he needed to speak to someone in the team that deals with chargebacks but before he was put through, the call was disconnected. And as far as its records show, Mr P didn't call back to initiate a chargeback until May 2024.

Mr P disagreed with Halifax's decision and said if the agent he spoke to in January 2024 had told him about the relevant timescales, he would've made his request on time. Halifax upheld Mr P's complaint in part. It felt the agent who spoke to Mr P during the call in May 2024, could've been more empathetic. However, it stood by its decision not to initiate a chargeback. It paid Mr P £60 for the service failings but he remained dissatisfied, so referred his complaint to our service for an independent review.

One of our investigator's looked into the complaint. She didn't think Halifax had acted incorrectly when it declined Mr P's request to initiate a chargeback due to the relevant timescales not being met. Mr P disagreed. Amongst other things, he said he'd done everything he could as soon as it became apparent C wasn't going to refund him. He also thought the Halifax agent he spoke to in January 2024, hadn't provided him with clear information about the timeframes involved and if they'd done so, he would not have missed out. Mr P noted that in relation to a credit card used to partly pay for the course, his chargeback had been successful so he thought this would also apply if Halifax had initiated a chargeback.

As no agreement could be reached, the matter was passed to me for a decision. I issued a provisional decision. In short, I said I wasn't intending to uphold this complaint. Neither party responded by the given deadline, so the matter has been passed back to me to finalise.

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.

As no party has responded to my provisional decision, I remain of the view that the complaint should not be upheld. As set out in my provisional decision which now forms part of my final decision, this is for the following reasons:

The chargeback scheme is a voluntary scheme, which allows card issuers, on behalf of cardholders, to dispute payments for certain specified reasons set out by the card scheme operator. There is no obligation on a card issuer – here Halifax – to raise a chargeback claim. And where a claim is raised the card issuer is bound by the card scheme provider's rules, which in this case is Visa. I consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding.

Looking at why Mr P asked Halifax to raise a chargeback, I think the most appropriate Visa reason code under which to initiate it, would be 'cancelled merchandise/services'. Under this reason code, a chargeback needs to be initiated within 120 days from the transaction processing date, or from the date the cardholder received or expected to receive the services. According to what C's potential defence was, Mr P had started to receive part of the service by the time he tried to cancel on 17 December 2023. So, on this basis, Halifax had up until 15 April 2024 to initiate a chargeback on Mr P's behalf (this being 120 days from 17 December 2023). From what I can see Mr P only asked for a chargeback to be initiated on 22 May 2024 and I think by this point, it was outside the timeframes set by Visa.

Mr P says he would've asked Halifax to raise a chargeback sooner if the agent he spoke to on 19 January 2024, told him about the timescales involved. I've listened to this call which has now been provided to us by Halifax. I can hear that Mr P explains what had happened and wanted to raise the matter as a fraud – the agent he was speaking to was in that department. But the agent explained to him that the situation he described – where he authorised payment – wouldn't be treated as a fraud but as 'dispute'. The agent offered to cancel Mr P's debit card to prevent any further payments from being taken from his account by C – Mr P agreed with this. After taking action in this regard, the agent then said she'd could put Mr P through to the dispute's department – again, Mr P agreed with this action. I can hear the agent put Mr P, in what seems to be, a holding queue for the dispute's department. I can also hear an automated voicemail then told Mr P that there would be about a 30 minute wait before his call would be answered by the relevant department. The call seems to have come to an end shortly after this voicemail message.

Halifax said it is unable to say why the call came to an end. And I don't think it's possible to be conclusive on this point. But I can't hear, as Mr P claims was the case, that the agent he spoke to during the call in January 2024 told him to continue to seek redress from C – in fact, it was the agent who suggested he speak to someone in Halifax's dispute's department. When Mr P agreed with this course of action, I think the agent made it reasonably clear she was putting him through to the relevant department and clearly explained the reason for doing so. Mr P indicated he understood this. However, the call appears to have come to an end without him asking Halifax to raise the dispute. And it doesn't appear that he asked Halifax to initiate a chargeback until he called again on 22 May 2024. I note Mr P said his reason for not asking Halifax to initiate a chargeback until this date was because he wanted to obtain more evidence to support his case. So, whilst I sympathise with his situation, I don't think there's persuasive evidence of Halifax being at fault for the chargeback being brought outside of the Visa chargeback timeframes.

Our investigator thought that even if Mr P's chargeback had been raised in time, it may not have succeeded due to C's potentially defending the claim. In support of this position, she referred to the defence documents submitted by C in relation to a claim Mr P made via his credit card – he had paid for part of the course using this credit card (issued by another bank) and part of it using his Halifax debit card. In short, C's defence was that under its terms and conditions, Mr P wouldn't be entitled to a refund.

Mr P disagreed with our investigator's view on this point. He said the chargeback via his credit card had, in fact, been successful and given this, he thought any chargeback initiated via his Halifax debit card would also have succeeded. However, from what I can see Mr P initiated the chargeback via his credit card in January 2024. So, it's possible he met with the relevant card scheme timeframes in that case. It's also possible that, as this was a credit card payment, he had a claim under section 75 of the Consumer Credit Act 1974. But either way, I can't say that Halifax did anything wrong by declining to initiate a chargeback in relation to Mr P's debit card. I say this because, as I've set out above, he didn't ask Halifax to initiate a chargeback within the relevant Visa chargeback reason code timeframes. Therefore, I don't think a chargeback would've had a reasonable chance of succeeding in this particular case.

Halifax has offered and paid Mr P £60 in compensation for customer service failings which relates to the call he made on 22 May 2024. Halifax says the agent Mr P spoke to during this call could've been more empathetic with his situation. Halifax hasn't provided this recording. But even if I accept what it says is correct, which Mr P hasn't disagreed with, and given this issue wouldn't have changed the outcome of the dispute, and appears to have been a one-off issue, I think its offer of £60 for the distress and inconvenience caused is fair and reasonable under all the circumstances.

So, whilst I appreciate that Mr and Mrs P will be disappointed with this outcome, I'm not going to ask Halifax to do anything further.

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 and Mrs P to accept or reject my decision before 24 June 2025.

Yolande Mcleod
Ombudsman