

The complaint

Mr P has complained about how J.P. Morgan Europe Limited ('Chase') handled his chargeback request.

What happened

Mr P bought a packaged holiday, costing £2,853, which he paid for using his Chase debit card. However, he was unhappy with aspects of the holiday, so raised a chargeback with Chase. Chase decided not to pursue a chargeback, as it didn't think it would succeed. It also explained the merchant had already offered Mr P £500 as a gesture of goodwill.

Unhappy with this, Mr P brought a complaint to our service. One of our investigators looked into what had happened. And, during the course of his investigation, Chase offered Mr P a further £100, for poor customer service. Our investigator recommended that Chase instead pay a further £225, but not the full amount requested by Mr P. This was because he thought the £500 payment, plus a further payment of £225, was fair.

Our investigator could see that Chase had reviewed Mr P's chargeback request, but concluded the issue didn't think it had merit. So, he thought about whether this was reasonable. He looked at the issues Mr P had raised, which he summarised as follows:

- the description of the hotel was inaccurate, and didn't include what it was supposed to;
- there were issues with the room, including broken handles, water stains and leaks; the hotel staff provided poor service; and
- the matter was very distressing and inconvenient.

Our investigator didn't think it likely that a chargeback for the full amount paid would have been likely to succeed. This was because the amount included Mr P's flights, which there'd been no issue with. He'd also used the hotel amenities, and had been moved to another room. However, he thought Chase should reasonably have considered a chargeback for a lesser sum, to reflect the problems Mr P had experienced.

As regards these issues, our investigator noted that the hotel description referred to the rooms: having a minibar, restocked daily; a double jetted bathtub; and bathrobes. However, Mr P has explained he didn't receive these things. Further, the room was not an 'elegant suite' given the damage and leaks Mr P described. However, he could see that Mr P had been offered £500 by the merchant as a gesture of goodwill, which he thought was fair to address these issues.

As regards Chase's customer service, Chase offered £100 compensation, as it acknowledged it had fallen short. He felt Chase could have dealt with the claim better, and been clearer with Mr P. He also felt Chase has been too quick to decide Mr P's claim was without merit. So, he thought the compensation should be raised to £225.

Finally, our investigator looked at Mr P's submission that, as the losses were for a package holiday as a whole, then a full refund would be due. No aspects of the holiday could be

broken down into individual elements. Our investigator explained this was incorrect. The regulations in fact refer to appropriate price reductions. And here, £500 had been reimbursed.

Mr P disagreed. In summary, he didn't think the investigator had relied upon facts or evidence. He thought it wrong to attempt to assume what may have happened, had a chargeback been pursued. He feels he's entitled to a full refund, with interest, compensation for trouble and upset, and for loss of enjoyment.

The complaint's now been passed to me.

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.

Having done so, I'm upholding this complaint, but only insofar as I agree with the investigator that the compensation for the distress and inconvenience should be increased to £225. I know this will be very disappointing for Mr P, but I'll explain why I've reached this decision. I am satisfied, from Mr P's submissions, that the holiday fell short. I think this is clear from the photos and his written testimony – which I find persuasive. So, I do think there were grounds for Chase to pursue a chargeback. This wasn't merely 'customer service' – it was important parts about the holiday that were not provided.

On the basis I think Chase should reasonably have pursued a chargeback, I've thought about what may have happened if it had. Mr P is correct to say this is somewhat arbitrary, but this is the nature of situations like these. So, I consider what I think would have been most likely, based on the evidence. Here, the merchant had already agreed to reimburse £500. And, I don't think Mr P would have achieved a full refund, given his use of the flights, the hotel amenities, the first room (to a much lesser degree) and the room he was moved to.

So, as a proportion of the cost, was the £500 sufficient? I think it was. I know there were issues with the room, and I'm extremely sorry to hear about the strain this unnecessarily put on Mr P. But, I do feel £500 is a significant sum. Given that this is what the merchant offered, it seems most likely it would have defended any chargeback claim on this basis. I don't think it would have been unreasonable for Chase to have not pursued this further. And, the Regulations do not provide for full refunds if particular aspects fall short, as our investigator explained. Rather, there are appropriate reductions.

That said, it's agreed that Chase didn't give Mr P the customer service it should have, after he raised his dispute. This meant he had to spend time on the phone and with sorting things out. This was stressful and upsetting. Mr P has explained his personal circumstances, and I can see this situation had a deep effect on him. I'm not underestimating this. But, I do think £225 is fair to address this. It's in line with other awards made by our service, and I think it's reasonable.

Putting things right

To put things right, I think Chase should pay Mr P a total of £225 for the distress and inconvenience caused.

My final decision

It's my final decision to uphold this complaint in part. I require J.P. Morgan Europe Limited to pay Mr P a total of £225 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 July 2025.

Elspeth Wood
Ombudsman