

## **The complaint**

Mr G complains The Royal Bank of Scotland Plc didn't do enough to get a refund for a transaction made on his debit card.

## **What happened**

In January 2025, Mr G booked a hotel stay through a comparison website I'll call "H", paying with his RBS debit card. Mr G then became aware of a discount code for the hotel, so placed a second reservation for the same date at the discounted price and cancelled his original booking, expecting a refund.

Having not received a refund, Mr G followed this up with the hotel and H. Neither agreed to provide a refund, saying the booking was non-refundable. Mr G therefore contacted RBS for help in getting a refund.

RBS considered whether it could raise a chargeback, which is a means of asking the merchant (H) for a refund, via rules set by the card scheme, Mastercard in the circumstances of this case. RBS said the basis of Mr G's dispute didn't fall within a valid chargeback reason code, so declined to raise a chargeback.

Mr G consequently complained, saying he should be entitled to cancel the booking within a cooling off period and felt RBS wasn't doing enough to get a refund. RBS didn't agree it had done anything wrong. It said it's only able to raise a chargeback against the rules set by the card scheme, rather than other legislation. It also said it could only raise a chargeback if there was evidence the merchant had done something wrong, and it had seen correspondence saying the reservation was non-refundable. So, RBS didn't agree it was wrong not to raise a chargeback.

Unhappy Mr G referred his concerns to our Service. One of our Investigator's looked into what happened and thought RBS had acted reasonably in its handling of Mr G's request for a refund. Our Investigator explained that RBS was limited to considering the dispute under the chargeback scheme rules, rather than other legislation Mr G had referenced. She thought RBS was reasonable in its conclusion Mr G's dispute didn't fall within any of the chargeback reason codes, so didn't recommend RBS do anything further.

Mr G disagreed with our Investigator's conclusions. As the matter wasn't resolved, it's 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.

I've given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

I'm looking here at the actions of RBS and whether it acted fairly and reasonably in the way it handled Mr G's request for help in getting his money back. This will take into account the circumstances of the dispute and how the merchant (H) has acted, but there are other considerations, such as the card scheme rules, which RBS must follow and its own obligations.

Mr G paid using his debit card. This meant the only realistic option available to RBS to get his money back was to engage with a process known as chargeback.

The chargeback process provides a way for RBS to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the merchant and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme, and if these are not met, a chargeback is unlikely to succeed.

It's not a requirement that a card issuer must raise a chargeback every time it's asked to, but where the evidence supports a dispute in line with the scheme rules, I'd expect the card issuer to attempt a chargeback to support its customer. The chargeback process is not a guaranteed way of getting money back.

RBS declined to raise a chargeback on behalf of Mr G, so my decision focuses on whether it was reasonable in making this decision.

Mr G has referenced further consumer legislation; however, the chargeback process is governed by the scheme rules, which are set by the card scheme. So, while I appreciate Mr G has questioned whether H should have provided a refund, in this complaint I'm only able to look at the actions of RBS, and whether it fairly considered Mr G's dispute in line with the chargeback rules.

As mentioned above, the card scheme sets out rules under which it may be possible to raise a chargeback, this includes a number of reason codes, the most applicable to Mr G's dispute would be "*Travel/Entertainment Services Cancelled/Returned and Credit Not Processed*" – this reason then sets out conditions that must be met in order for a chargeback to be raised including the following:

- *The merchant agreed to provide a refund and failed to process that refund.*
- *The merchant failed to disclose its refund policy at the time of the transaction and is unwilling to accept the cardholder's returns or cancellation of goods or services.*
- *The merchant has not responded to the cardholder's return or cancellation of goods or services.*

While I understand Mr G tried to cancel the reservation within a day of booking, I haven't seen RBS was provided any evidence to support any of the above conditions – and it's only under these conditions RBS could have asked for a refund. H had responded to Mr G, hadn't agreed to provide a refund and stated it had set out the booking was non-refundable.

I appreciate Mr G's point that he'd made a separate booking for the same night at the same hotel, but this isn't a reason through which RBS could raise a chargeback or ask for a refund.

Therefore, while I appreciate this answer will come as a disappointment to Mr G, I think RBS was fair in its handling of his request for a refund. It considered Mr G's dispute and evidence against the chargeback rules, and I think was reasonable in concluding that there wasn't an avenue through which it could successfully dispute the transaction. So, I don't find RBS did anything wrong in not raising the chargeback and won't be asking it to do anything further.

**My final decision**

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 September 2025.

Christopher Convery  
**Ombudsman**