

The complaint

Miss B complains about the way Bank of Scotland plc trading as Halifax ('Halifax') handled her refund request.

What happened

The parties are familiar with the background of this complaint so I will just summarise it here.

On 8 July 2024, Miss B asked Halifax for help with obtaining a refund from an insurer – she said she'd cancelled a policy in June 2024 but was still awaiting a refund which she said she was entitled to because it had been cancelled within the relevant cancellation period. Halifax asked Miss B to provide certain information, but she was unable to provide all that it requested. Miss B received a refund directly from the insurer but remained dissatisfied with Halifax's handling of her chargeback. When Miss B complained, Halifax apologised for some customer service failings but didn't offer her compensation.

Our investigator didn't recommend upholding the complaint. Amongst other things, Miss B responded saying Halifax had systemically failed to implement her request to make reasonable adjustments which impacted her during the chargeback process. But our investigator still didn't recommend upholding the complaint. So, the matter has been passed to me for a decision. I issued some provisional findings which I've set out again below. Miss B disagreed maintaining that all her complaint points are part of this complaint. Halifax agreed to settle matters by paying the £50 I said I was intending to award in this case. 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.

I note Miss B has submitted a significant amount of evidence and submissions in response to my provisional decision. However, I'm focusing here on what I consider central to the complaint which is how Halifax handled the chargeback. I won't be commenting on every bit of evidence – I don't wish this to be taken as a discourtesy. It just reflects my role as an alternative to the court in resolving disputes informally.

Miss B disagreed with what I concluded in my provisional decision, which I'll repeat again below. She largely reiterated the points she made previously. As she's not added anything substantially new, I'm still of the view that Halifax should pay her £50 in compensation for the customer service failings I've highlighted below. I think this is a fair and reasonable way to resolve things. In reaching my decision, I want to assure Miss B I've fully reconsidered everything she's said but for the reasons that follows, I'm reaching the same conclusions as that set out in my provisional decision.

When a debit card payment is made and a dispute arises between the parties, an avenue for the bank to consider is to raise a chargeback – in respect of the dispute Miss B had with the insurer, this would be considered under the rules of the Visa chargeback scheme. While

chargeback is limited by specific rules it can be useful – and it is often good practice for a financial business to use the process. But it has its limitations – and is not guaranteed to recover money. Furthermore, the ultimate decision making, should it reach the end of the process (called arbitration) is made by the card scheme – which has to be kept in mind when deciding what is fair and reasonable in the dispute here.

I'm not entirely sure which Visa rule Halifax was considering Miss B's chargeback under. But looking under the most relevant reason codes 'cancelled services' or 'credit not processed', each of these require some evidence to prove the credit was due. So, this is why Halifax was asking for supporting documents from Miss B. Given this, whilst I know Miss B was having difficulty with obtaining this information from the insurer, I can't say that Halifax acted unfairly here – without it, in line with the Visa chargeback requirements, I don't think there was a reasonable chance of her chargeback succeeding. In any event, I can see by 5 August 2024, Miss B had received a refund from the insurer. So, even if I were satisfied Halifax failed to escalate the chargeback when it should've done – which I don't think is the case as it was still awaiting information it'd requested – I can't fairly or reasonably ask Halifax to compensate Miss B as there has been no loss here.

In terms of the customer service issues Miss B has complained about, in particular, I've reviewed the in-app chat between Miss B and Halifax's agents. I should at first note that when raising a claim or a complaint there will always be a measure of inconvenience involved. With this in mind, I'm not persuaded that Halifax's agents sent Miss B around in 'circles' or caused unnecessary delays when responding to her. As one agent said: *"To help manage your expectations, when using this service in the future this is not a live chat; replies won't be instant we are currently dealing with several customers."* Neither do I think there were delays in other areas such as how long it took to answer her complaint – I can see Halifax replied to her within the eight weeks it has to respond to these matters. Miss B complained on, or around 9 July 2024, and Halifax responded on 5 September 2024.

I note a customer service agent said the dispute team department weren't available when according to the opening times the agent had given to Miss B, this department was, in fact, open. But I can see this matter was quickly resolved. A member of the dispute team contacted Miss B via the in-app chat on the same day in less than one hour of the initial chat with the customer service agent. I can't say compensation is warranted in this regard. However, where I do consider Halifax's communication had more of an impact on Miss B is around what it said about her receiving a refund within 24 hours. This was something said by one of its agents on the in-app chat on 9 July 2024. And when the refund didn't happen, I can't see that Halifax – or its agents – provided an explanation about this even after Miss B complained about it. So, I do think this caused Miss B unnecessary distress and inconvenience. For this mistake I will be asking Halifax to pay Miss B £50 in compensation.

In response to our investigator's initial view, I can see Miss B made a number of complaints about Halifax not making reasonable adjustments for her. In support of this Miss B referred to an email dated 2 August 2024 – Miss B said Halifax failed to send this email in a 'readable format'. What she seems to be unhappy about here was that the email told her she'd been sent an encrypted email about her chargeback. Because of this, Miss B didn't consider the encrypted email was in a readable format as she couldn't access it without inputting a password which she said she shouldn't have to do. However, given this was a security measure, along with the fact Halifax didn't seem to have anything on record to show Miss B had asked it to not send encrypted emails, I don't think it acted unfairly or unreasonably in this regard.

Other than this, I can't see any record of Miss B raising the issue of reasonable adjustments to Halifax as part of the complaint I'm considering here. Halifax was asked about this by our investigator. Halifax said it has had several complaints with Miss B and could only find one complaint where she referred to having a disability which required adjustments to be made.

It said this was in March 2024 and at this time, Miss B asked for adjustments around the way Halifax communicated with her – specifically she didn't want to receive calls but only emails. Halifax's system notes from that time suggest the agent dealing with the matter, was unable to make contact with Miss B to obtain her explicit consent to record further details – I should note Miss B denies this was the case.

I'm very sorry to hear about the difficulties Miss B has experienced. But given what Halifax has said, and the wider issues she's raised about how it has handled her requests to make reasonable adjustments, I think this is reasonably a subject matter for a separate complaint. I say this because Miss B has provided detailed submissions saying, amongst other things, that Halifax has: consistently breached the Equality Act 2010; repeatedly ignored her requests for reasonable adjustments; breached regulatory duties in this regard; and shown a pattern of systemic failures which has impacted across other complaints. Miss B also disputes that she only raised this once as Halifax has claimed saying she's made many calls, emails and in-app chats with it about her disabilities and the adjustments she requires. However, because I can't see these wider issues were raised as part of her chargeback complaint, I don't think it would be reasonable to consider them here. Miss B can, of course, ask Halifax to investigate these issues and refer them to us if she remains dissatisfied with what it says in its final response letter.

So, whilst I know this comes as a disappointment to Miss B, my decision is that Halifax should pay her £50 for the customer service failings which form part of this complaint.

My final decision

My final decision is that I uphold this complaint in part. Bank of Scotland plc trading as Halifax should pay Miss B £50 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 27 August 2025.

Yolande Mcleod
Ombudsman