

The complaint

Mrs M complains that Bank of Scotland plc trading as Halifax ("Halifax") failed to properly handle her chargeback request.

What happened

In January 2024 Mrs M booked a number of connected flights for her and her family. She made the booking with a broker and not direct with the airlines. Two bookings were made, one costing £1,625 and the other £1,005. Both were paid using Mrs M's Halifax credit card.

The flights were due to be taken in June 2024, but in April 2024 Mrs M was notified that there had been changes to the flight times and so the required connections could not be made.

The broker explained that Mrs M had several options, one was to book and pay for alternative flights to replace the changed ones and, once the trip was over, request a refund for the changed flights. The broker would then contact the airline to get whatever refund they would provide, but they couldn't guarantee what this would be as it would be dependent on the airline's terms and conditions. The other option would have been to cancel the whole booking, but the broker couldn't guarantee a full refund as it would be at the airlines' discretion and dependent on their terms and conditions.

Mrs M has told this service that the alternative flights offered to her were very expensive so she booked flights with another provider and asked Halifax to make a chargeback. It placed temporary credits on her account and pursued the chargeback.

The broker submitted a comprehensive defence. The flights had been booked with different airlines and the broker had no control over the actions of these airlines. It also explained that Mrs M had opted not to take disruption protection coverage, and it would either rebook flights as requested or provide a refund handling service. It said Mrs M had not made a refund request, but it would assist her in line with its terms and conditions.

On 27 June Halifax shared the broker's defence with Mrs M and asked for her comments. She told Halifax that she had taken legal advice and there had been a breach of contract. After several further exchanges Halifax re-debited Mrs M's account and told her there were no grounds to take the matter further.

Mrs M made a complaint, but this was rejected by Halifax and so she brought the matter to this service. It was considered by one of our investigators who didn't recommend it be upheld. She didn't consider that Halifax was wrong not to pursue the chargeback any further since there was no basis for doing so within the rules of the regime. Nor did she think that a claim under section 75 Consumer Credit Act 1974 ("s.75") would have been successful.

She explained that Mrs M had not raised a complaint with Halifax about its failure to call her back but she could do so separately and if that could not be resolved it could be brought to this service as a separate complaint. She also noted that Mrs M had said that the broker was waiting to hear from Halifax about the outcome of the chargeback. Our investigator

explained that under the chargeback process Halifax would not as a matter of course inform the broker of the outcome. Finally, our investigator explained that would this service only consider the actions of Halifax and not the broker or the airlines.

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 have every sympathy with Mrs M, but I do not consider I can uphold her complaint. I will explain why.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mrs M that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them. I do not have any power to consider the actions of the broker or the airlines.

Halifax used the chargeback regime to seek to get Mrs M's money back. Chargeback is a voluntary scheme run by the card scheme operator (here it's Mastercard) to process settlement disputes between the card issuer (such as Halifax) – on behalf of the cardholder (Mrs M) – and the merchant (here it's the broker). It is not a legal right that the cardholder has.

Mastercard sets the chargeback rules and time limits for transactions made using the Mastercard card scheme. And it is Mastercard that decides whether a chargeback is successful – the card issuer simply makes a request on the cardholder's behalf. If the card issuer knows it is out of time, or is unlikely to succeed, I wouldn't necessarily expect it to raise a chargeback.

Mrs M's agreement was with the broker. In simple terms she asked it to find flights for her and her family. This is what it did. However, the airlines, and there were several involved, made alterations to the flights and so this made the trip impractical. It was open to take the existing flights which were suitable and pay for alternative ones that better suited her plans. However, since she had not paid for the disruption protection cover there was no guarantee the broker could obtain a full refund.

The broker is not responsible for the actions of the airlines and it is the broker to which Mrs M made the payment. That means the only action Halifax could take was to seek a refund from the broker. However, it had provided the service it offered, i.e. booking the agreed flights and so there were no grounds for saying that it had fallen foul of Mastercard's rules.

I can see that Halifax could have been clearer in its explanation of what was happening and the outcome, but I do not consider that failing is such that it merits any further action. Nor is it obliged to explain the outcome to the broker. Mastercard sets strict time limits and the broker should be aware that once the final deadline is passed the chargeback has failed.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 20 October 2025.

Ivor Graham
Ombudsman