

The complaint

Mrs D is unhappy with how Lloyds Bank PLC (Lloyds Bank) handled a refund claim she made to them.

What happened

Mrs D booked flights with a supplier I shall call 'A' on 10 February 2025 using her Lloyds Bank credit card to the sum of £2786.58. This was to fly abroad the following day – however she subsequently discovered that the flight was a return rather than a one way trip.

In addition she thought her booking included baggage but she was told she'd be charged an additional £440.00 for this. Mrs D agreed to pay this as her flight was imminent but then subsequently complained that her booking had been misrepresented to her.

When A didn't resolve the matter to her satisfaction, she contacted Lloyds Bank to raise a chargeback claim against A and a Consumer Credit Act 1974 ("CCA") section 75 claim ("S75") against Lloyds.

Lloyds considered the chargeback claim but didn't think there was a reasonable prospect of success as Mrs D had accepted the flight terms and the baggage charges before she flew. They also considered whether there was a breach of contract or misrepresentation by A with mind to S75.

While Lloyds appreciated that a return flight had been added to the booking, they noted Mrs D had accepted the one way flight costs and so the additional flight wasn't of financial detriment to Mrs D as it hadn't been at any additional cost. They did however agree that the baggage costs needed to be refunded and offered this as a resolution to her S75 claim.

Mrs D didn't agree this was sufficient and considered she was due a full refund as the booking was misrepresented to her. She also said that when she purchased the flights, she was under the impression it was ABTA protected when it subsequently wasn't. She said she suffered distress and inconvenience for what'd happened and was also due compensation for Lloyds' handling of her claim.

Lloyds considered her subsequent complaint and issued their final response letter (FRL) on 6 May 2025 confirming they were refunding the baggage payment of £440.00 to her account. However they said they'd handled her claims correctly and there was nothing further due.

As Mrs D remained dissatisfied, she referred her complaint to this service to consider. Our investigator reviewed the evidence available but reached the same conclusion as Lloyds. They didn't think that Mrs D had been adversely impacted by the booking change beyond the baggage costs which had since been refunded by Lloyds. They also felt that the concern about the ABTA protection wasn't relevant as it didn't provide protection for flight only bookings, which was the case here, and the booking remained ATOL protected, which did.

Mrs D didn't accept our investigator's findings and remained of the position that as the booking had been misrepresented to her, she was due a full refund plus compensation for distress and inconvenience suffered.

She therefore asked for an ombudsman to issue a final decision on the matter.

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 read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Lloyds aren't the provider of the service here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mrs D paid for this transaction using a Lloyds credit card, both chargeback and a S75 claim could possibly help her. So in deciding what is fair and reasonable I've focussed on this.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Lloyds acted fairly.

The most relevant chargeback reason code here would be 'Goods or Services Were Either Not as Described or Defective'. The card issuer rules state there would need to be evidence that the service didn't meet their description. However while the details of Mrs D's booking were changed to include a return leg as well as additional baggage costs, Mrs D did accept these as she was due to fly shortly after.

This does mean however that her service included the required flight to her destination which she paid for and used. And she did agree to pay the additional baggage costs to confirm her flight. I therefore can't say there was a reasonable prospect of success had the chargeback claim progressed further for these reasons.

This does look better suited for consideration under S75 however for whether there has been a breach of contract or misrepresentation by A, which I've explained my findings on below.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, Lloyds would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and a part of that is there needs to be a valid debtor-creditor-supplier agreement in place. This means there needs to be a valid agreement between the 'debtor' who took out the finance and the supplier of goods or services in dispute.

Our investigator has mentioned there may have been issues on whether these technical requirements were met as Mrs D paid for the booking but her partner was the lead passenger and communicated with A. While Mrs D thinks these requirements have been met, I've not considered this further. I say this because whether or not the debtor-creditor-supplier link was technically complete, my overall conclusions would remain the same. I'll explain why.

When considering whether there has been a breach of contract here, I've looked at both A's explicit terms as well as any relevant implied terms. I note Mrs D has quoted various legislation which she believes applied to her complaint but I've looked at what is most relevant here.

While I've not seen any explicit terms which relate to the circumstances of this complaint, I consider S50 of the Consumer Rights Act 2015 to be relevant. It says that anything said or written to a consumer, by or on behalf of a trader, about the trader or the service, forms part of the contract if the consumer took it into account when deciding to enter the contract.

Lloyds have provided information from A on what happened to Mrs D's booking. A said that the return flights were added to the booking as a package to reduce the price and did not increase the overall value. Mrs D agreed the price of £2786.58 for her outgoing flight and that was provided. I can't agree that the additional leg had any bearing as it didn't increase the cost which she had previously agreed for her one-way flight.

Likewise the baggage costs should've been included in the booking but Mrs D was charged an additional £110.00 per person totalling £440.00. A has said this was due to a system error but they agreed to refund this amount to Mrs D. As Mrs D didn't accept this, Lloyds then offered to refund this again as a part of the S75 claim to address what'd happened.

I agree this is reasonable to address the breach of contract here – all parties agreed that the additional baggage costs shouldn't have been charged and so the offer is fair.

I can't agree however that anything further would be due as the remedy offered overall is appropriate to address the change in booking. And I don't think there would be anything due for an additional leg added at no extra cost which Mrs D didn't use.

Mrs D has also commented on the fact she believed she was covered under ABTA but this wasn't the case. I appreciate this can be confusing, as many consumers associate air travel with ABTA membership.

But ABTA generally applies to package holidays rather than flight-only bookings. In this case, the booking remained ATOL protected, and the absence of ABTA membership didn't reduce the protection Mrs D already had or cause her any financial loss. I therefore don't think that there would be any remedy due here.

I also want to mention the issue of misrepresentation briefly. While the baggage aspect has been addressed with a full refund of those costs, this just leaves the issues with the additional leg in the booking as well as the ABTA membership. With both, while I appreciate Mrs D is stating there were false statements of fact which induced her into the booking, neither of these issues meant there was any financial loss to Mrs D.

And while I appreciate she considers this not of relevance, it is, when determining an appropriate remedy under S75. And that would be to address the misrepresentation or breach of contract appropriately with mind to the impact on the consumer and any financial loss or detriment. As that hasn't occurred here, noting also that S75 wouldn't compensate for distress and inconvenience suffered, I can't say anything else would be due.

Lastly I note that Mrs D has referred to the principles set out in the Financial Conduct Authority's Consumer Duty and has specifically noted the requirement to 'deliver good outcomes for customers generally and put customers interests at the heart of their activities'. Mrs D has stated that one of the advisors she spoke to said she had no S75 experience and left Mrs D unsupported with mind to providing evidence for her claim.

While I appreciate Mrs D's position, I've reviewed Lloyds' handling of her S75 claim and do consider this was progressed appropriately. While I appreciate Mrs D was dissatisfied with the outcome, I've insufficient evidence that Lloyds handled her claims unfairly. I therefore won't be asking them to do anything more.

My final decision

For the reasons stated, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 19 November 2025.

Viral Patel
Ombudsman