

The complaint

Mr B has complained about how Lloyds Bank PLC (Lloyds) handled a refund claim he made to them.

What happened

Mr B purchased a holiday from a supplier I shall call 'U' in August 2023 using his Lloyds debit card. This was to the sum of £2,393.33 and was made via a payment processor I shall call 'R'. The holiday was later cancelled and U said a refund was processed to R, who in turn said they refunded a second Lloyds account held by Mr B in February 2025. Mr B says he never received this refund.

As the matter remained unresolved, Mr B contacted Lloyds to raise a chargeback claim against U. Lloyds considered the claim but said that it was outside the chargeback time limits required under the card issuer rules. They also reviewed the accounts Mr B held with them and found no record of a refund made.

They did accept however that their customer service had fallen short as Mr B had called several times about the issue. They credited his account with £50 to address what'd happened. While Lloyds said they were unable to help further with the matter, they suggested Mr B had the right to pursue the matter further with R.

As Mr B was dissatisfied with Lloyds' response he raised a complaint with them. Lloyds issued their final response letter in April 2025 confirming the chargeback was out of time but they'd addressed his customer service issues with the £50 payment into his account.

Mr B remained unhappy and so brought his complaint to this service to consider. Our investigator reviewed the evidence available and concluded that Lloyds were unable to consider the chargeback claim as it was out of time.

As Mr B hadn't received his refund, he 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 services 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 Mr B paid for this transaction using a Lloyds debit card, a chargeback claim could possibly help him. So in deciding what is fair and reasonable I've focussed on this.

Chargeback

Chargeback is a potential way Lloyds could've obtained a refund for Mr B. However chargeback is determined by the relevant rules of the card scheme (in this case VISA). So although it is good practice for a bank to raise a chargeback, there are circumstances where it isn't reasonable to raise one, such as where there is an unlikely prospect of it succeeding.

Here Lloyds did consider the claim but said it was out of time under VISA's scheme rules. The purchase was made in August 2023 and the most appropriate reason code here would be 'Credit Not Processed'. The VISA chargeback rules state that a dispute must not be processed later than 120 calendar days from the date on the credit transaction receipt.

Clearly Mr B was out of time here as the claim was raised in early 2025 so this didn't meet the card issuer time limits. Therefore I can't conclude Lloyds did anything wrong here in not progressing the chargeback as there was no reasonable prospect of success had they had done so.

I also note Mr B has complained Lloyds may not have administered the refund correctly. I've not considered this as I've only looked at Lloyds handling of his chargeback claim. I won't be commenting on this issue further as I'm aware that he has an on-going complaint with R, which may help shed light on the matter.

Customer Service

Mr B has also complained about the general handling of his claim as he says he had to call several times about the issue. I see Lloyds has offered £50 to address this and I do think this is appropriate for what happened. I therefore won't be directing them to do more here.

In summary

I appreciate this'll be disappointing to Mr B as he says he hasn't received his refund; however I've only considered Lloyds' handling of his chargeback claim with mind to the card issuer rules. And I can't say they did anything wrong in not progressing the claim further as there was no prospect of success for the reasons explained.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 November 2025.

Viral Patel
Ombudsman