

The complaint

Miss Y complains Bank of Scotland plc trading as Halifax didn't enough to help get a refund for transactions made on her credit card.

What happened

In October 2024, Miss Y booked a guided tour, which included accommodation and excursions with a company I'll call "T". Miss Y paid for the tour with her Halifax credit card, which had a total cost of £1,650.

Having returned from the trip, Miss Y complained to T, she said the trip hadn't provided good value for money, the services had fallen below the standard expected and the contract had been breached. Miss Y therefore asked for a partial refund.

Miss Y wasn't able to resolve the matter with T, so contacted Halifax for help in getting a refund. Halifax raised a chargeback for £500, on the basis Miss Y said she'd been overcharged for the trip. A chargeback is a process of asking T for a refund via rules set by the card scheme, Mastercard in the circumstances of this complaint.

T defended the chargeback, which is to say it didn't agree a refund was due. Having considered all the information Halifax didn't think it could dispute the chargeback further, so closed it in T's favour. Halifax also considered whether it was liable to provide Ms Y a refund under Section 75 of The Consumer Credit Act 1974 ("Section 75"), but said there wasn't evidence of a breach of contract or misrepresentation.

Halifax didn't change its answer when Miss Y complained, so she referred her concerns to the Financial Ombudsman. One of our Investigators looked into what happened and thought Halifax had been fair in its handling of Miss Y's request for a refund. She said Halifax was reasonable in its decision to close the chargeback and there wasn't sufficient evidence to show it was liable to provide a refund under Section 75.

Miss Y disagreed with our Investigators opinions. She said T had responded out of time to the chargeback, so this should have been successful. She also said the contract had breached regulations such as the Consumer Rights Act 2015 (CRA), so Halifax should have done more to help get a refund.

As the matter wasn't resolved, the complaint has 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, including Consumer Duty 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.

As Miss Y paid on her credit card, there are two options through which Halifax may have been able to provide a refund, be that through a chargeback or a claim under Section 75. I've therefore considered whether I think Halifax acted fairly in relation to both processes.

Chargeback

The chargeback process provides a way for a card issuer (Halifax) to ask for a payment its customer made to be refunded by the merchant (T) in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme. It's not a guaranteed way of getting money back.

Halifax raised a partial chargeback on behalf of Miss Y. T defended the transaction, saying it was valid. So, my decision focuses on whether Halifax acted reasonably in the steps it took after receiving T's defence.

Chargeback is designed to be a simple process to settle disputes and isn't necessarily decided on the merits of the dispute, rather whether it succeeds against the card scheme rules. It is not designed to settle complex disputes or to consider legal arguments. The rules are very specific and detailed and usually there's little room for discretion – and they are simply applied to a case as they are.

Miss Y raised concerns T defended the chargeback late, however, I haven't found that to be the case. Rather T responded within the timescale set out in scheme rules and a few days later Halifax shared a copy of T's defence with Miss Y, as I'd expect.

Having received T's defence, Halifax had been provided two version of events, Miss Y's that she'd been overcharged and hadn't received the services she'd paid for and T's that Miss Y had been charged the advertised amount and that it had provided the services set out in the itinerary.

While I appreciate this answer will come as a disappointment to Miss Y, I think Halifax was reasonable in its decision to close the dispute having received T's defence.

I say this as to pursue the chargeback further; Halifax would need evidence to show that T's defence was incorrect or invalid. I'm not aware of further evidence demonstrating this, for example while I appreciate Miss Y is unhappy about the amount she paid, and had provided a breakdown of the cost of the trip at less if she'd arranged it herself, this doesn't show T charged the wrong amount, as it was able to show it had charged the advertised amount, which Miss Y was aware of before making the purchase.

Therefore, I think it was fair for Halifax to conclude that if it pursued the chargeback further it didn't have a reasonable prospect of success when considering the scheme rules and therefore close the dispute.

Section 75

Section 75, says that, in certain circumstances, if Miss Y paid for goods or services, in part or wholly on her Halifax credit card, and there was a breach of contract or misrepresentation by the merchant, Halifax can be held jointly responsible.

But it's important to note that Halifax isn't T and isn't responsible for everything that might've gone wrong. And more importantly, Halifax is not responsible for anything that might have gone wrong with any other contracting parties.

There are conditions that need to be met for Section 75 to apply. One of these is that there needs to be a 'debtor-creditor-supplier' (DCS) agreement in place between the parties to the transaction. Another is that the item purchased must fall within set financial limits. I'm satisfied Miss Y's claim, meets these requirements.

Halifax declined Miss Y's claim on the basis it didn't think there was evidence of a misrepresentation or breach of contract, so I've considered whether it was reasonable in reaching this conclusion.

Was there a misrepresentation or breach of contract?

To say there had been a misrepresentation, I'd need to be satisfied that a false statement of fact induced Miss Y to enter the contract.

While I appreciate Miss Y is unhappy with the amount she paid for the tour, I'm not aware of any false statements made by T, which then induced Miss Y into entering the agreement. Rather Miss Y has said T failed to provide the service it had promised, which could be considered an alleged breach of contract.

I acknowledge Miss Y has also raised concerns about the amount she paid for the tour, saying had she arranged the same trip herself it would have cost significantly less. While I understand Miss Y is unhappy about this, I haven't seen anything to suggest Halifax would be liable under Section 75 as a result.

From the information available, T expressly fixed a price to the tour and made Miss Y aware of this before she made the purchase. While it may have been possible to organise the trip herself independently for less, this doesn't demonstrate T breached the contract it entered into with Miss Y as this was agreed upon prior to the agreement being entered into. I would also note that organised tours may cost more than arranging a trip oneself as there are additional costs in arranging and facilitating the tour.

In relation to the service T provided, Miss Y has detailed what she considered to be the shortcomings alongside costs she says she shouldn't have incurred, or not receiving the services she expected. The Consumer Rights Act 2015, which is applicable to this claim, sets out that services should be performed with reasonable care and skill. While I'm sorry to hear Miss Y is unhappy with elements of the tour, the main services were provided and I haven't seen anything that leads me to think T breached the contract or that Halifax was unreasonable in concluding it wasn't liable under Section 75.

As a result, while I appreciate this answer will come as a disappointment to Miss Y, for the reasons I've given, I'm satisfied Halifax was fair in its consideration of her Section 75 claim, so won't then be recommending it do anything further.

Conclusion

In conclusion, while I appreciate this answer won't be the one Miss Y is hoping for, I won't be asking Halifax to do anything further in relation to this complaint. Halifax raised a chargeback to support Miss Y and I think was reasonable in its decision not to pursue this further having received T's defence. Halifax considered whether it was liable under Section 75, and for the reasons given above, I think was fair in concluding it wasn't liable to provide a refund.

My final decision

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

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

Christopher Convery
Ombudsman