

## The complaint

Mr M has complained about how Bank of Scotland plc trading as Halifax (Halifax) handled his request for a refund.

## What happened

In April 2025, Mr M made a payment to a hotel, I'll call P, using his Halifax credit card. Mr M explained that during the sale he was assured the accommodation had a washer drier and that the terms of a third party voucher website would apply to the booking, in that a 14 day cancellation policy would apply. Mr M said that shortly after the call, in which payment was made, he had some concerns about the agent and after some research on P's website he found no mention of a washing machine in the accommodation and so he contacted P to cancel, but was told the booking was non-refundable.

Unable to resolve matters with P, Mr M approached Halifax and asked it to assist him in getting a refund. Halifax considered Mr M's claim, and supporting evidence, under Section 75 of the Consumer Credit Act (CCA) 1974 (Section 75). It said P didn't respond to it and that it was not accepting liability under Section 75 because Halifax had no first-hand knowledge of what was discussed at the point of sale.

Unhappy with this response, Mr M raised a complaint. In its final response Halifax made an apology and offered £200 compensation for providing Mr M with inaccurate expectations regarding the potential claim when he first made contact with Halifax. It went on to set out that a chargeback couldn't be raised when Mr M first made contact, as the rules didn't allow for it at that time, given the trip was scheduled for the future. It said the Section 75 claim was unsuccessful because a breach of contract had not been evidenced and because there was no proof to support what Mr M said he was told on the phone when making the booking, which it said was in contrast to P's terms and conditions published on the website. It was confirmed that the complaints Mr M raised regarding two telephone calls would be dealt with under a separate complaint.

A further final response was issued shortly after, in relation to a separate complaint Mr M made about how two calls were handled. Halifax said the two calls were handled appropriately but noted Mr M's experience could've been better. It said the Section 75 claim was fairly declined because it had not seen sufficient evidence to support either a breach of contract or misrepresentation. It also confirmed that the £200 offer of compensation would not be increased.

Our Investigator said that he wasn't persuaded that there was a misrepresentation and as such he didn't think that Halifax made an error when it declined Mr M's Section 75 claim. He acknowledged that there was no evidence of what was discussed on the phone and wasn't persuaded by Mr M's actions when cancelling that any false statements were given, noting some inconsistencies in his testimony. He explained the onus was on Mr M to provide evidence of a misrepresentation and that he didn't think a chargeback would've been successful, as he thought P would've likely denied making the disputed statements. He also said that he felt the £200 compensation offer was fair for the handling of the issue.

Mr M didn't agree with our Investigator's view, in summary he said on the balance of probabilities the evidence provided shows P misrepresented the booking, noting that his evidence was credible and there was no rebuttal from P. As an agreement could not be reached 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.

My summary above and comments below will focus on what I consider to be the key points to this complaint. Whilst I've considered everything in detail, if I don't comment on a particular point, it's because I don't feel that I need to in order to reach a fair answer on this complaint. It's not meant as a discourtesy, but instead it reflects the informal nature of this service.

Where evidence is incomplete, inconsistent or contradictory, as some of it is in this case, then I've based my findings on the balance of probabilities, i.e. what I think is more likely than not in the circumstances of this complaint.

To be clear I am only determining whether Halifax treated Mr M fairly in how it handled the disputes, and not the actions of P, as that doesn't fall within this service's remit. Whilst there may have been issues, it doesn't necessarily mean that Halifax treated Mr M unfairly.

There were two ways in which Halifax could potentially assist Mr M in getting a refund for the transactions, either through a Section 75 claim or a chargeback. I've considered each in turn.

#### Section 75

In certain circumstances, Mr M can make a like claim against Halifax for a breach of contract or misrepresentation by the supplier of goods or services, when payment is made via credit card. This is through a Section 75 claim.

In order to say that Halifax treated Mr M unfairly in how it handled his claim, I'd need to be satisfied that the necessary criteria had been met and if so, that a breach of contract or misrepresentation had been evidenced by Mr M. In my opinion the necessary criteria had been met.

Mr M's main concern centres around misrepresentation. In order to say that Halifax treated Mr M unfairly when it declined his Section 75 claim, I'd need to be persuaded that:

1. P made a false statement of fact and
2. that false statement induced Mr M into entering the contract, in other words if it wasn't for that statement he wouldn't have gone ahead with the purchase.

Mr M's claims relate to two aspects of the booking, one that the accommodation contained a washing machine and the second was that the terms of a third party would apply to the booking, in that a 14 day cancellation policy would apply. I'll deal with each in turn.

Mr M's evidence of what was discussed on the call, is in the form of testimony from himself and his wife. It doesn't seem that the call was recorded and there's little additional evidence from P about what was and wasn't discussed. Whilst Halifax couldn't be sure of what was said, I haven't seen that Mr M provided Halifax with evidence to show the accommodation didn't come with a washing machine. Mr M says the website didn't mention a washing

machine, but this doesn't evidence that one wouldn't have been present in the particular accommodation he booked, neither do the reviews he provided to support his claim. As such, I'm not persuaded that Halifax treated Mr M unfairly when it deemed there was no proof of a misrepresentation.

I'll now turn to the information Mr M says he was provided with about the cancellation. Mr M's booking confirmation states that the booking was non refundable and the cancellation policy is stated on P's website that Mr M says he used to locate P's number, before making the booking. Mr M has provided a detailed recollection of what happened during the call and much of what he has said has been consistent, however I can understand why Halifax would've wanted to see more evidence that false statements were made, given that by accepting Mr M had a valid Section 75 claim, it would be accepting false information was given about the booking, which it was equally as liable for.

The terms set out on the website don't say a refund would be due in the event of cancellation and the booking confirmation that followed shortly after the booking was made and paid for makes it clear that the booking was non refundable. Whilst it's possible that alternative information was provided during the call, I can appreciate why Halifax would've wanted further evidence of this, given that P didn't appear to have a refund policy in the event of customer cancellation and the booking confirmation email didn't confirm an alternative cancellation policy. Whilst I can appreciate why Mr M was unable to supply further evidence, I'm not persuaded that Halifax treated him unfairly when it said it hadn't seen enough to say a misrepresentation took place.

And it's also worth pointing out at this stage that the third party's cancellation policy seems to have only been applicable to unredeemed vouchers and so even if Mr M had used that third party to purchase the voucher for the stay, it's not clear that he would've been able to get a refund once the voucher had been redeemed.

Mr M has raised concerns that Halifax dismissed his evidence and sided with P, who had not responded to its requests for information. I don't think the lack of response meant that Halifax needed to accept Mr M's version of events and reaching out to P wasn't something that Halifax needed to do, but did so to try and assist Mr M. I'm not persuaded that Halifax dismissed evidence that would've resulted in a different outcome. Instead I think Halifax acted fairly when it weighed up Mr M's testimony against the other evidence provided and explained why it wasn't persuaded there was a valid claim.

Having considered everything, I'm satisfied that Halifax treated Mr M fairly in how it handled his claim, based on the information it was supplied with.

### Chargeback

There are set rules and criteria under which Halifax would need to follow as part of the chargeback process. These rules are set by the card scheme and cannot be altered or amended by Halifax under any circumstances. Part of these rules set out the situations in which a chargeback can be raised in the form of reason codes, along with specific criteria for each code.

A chargeback isn't an automatic right and so Halifax didn't have to attempt one. However I'd expect Halifax to attempt one if the scheme rules provided a specific option for Mr M's disputes, and the evidence provided showed it had a reasonable prospect of success.

In my opinion, the relevant reason code for Mr M's dispute was '*Goods or Services Were Either Not as Described or Defective*'. The rules for this reason code set out that a chargeback could be raised 15 days after the transaction settlement date. Mr M first

contacted Halifax on the same day as the transaction and so it was too soon to raise a chargeback. As a result, Halifax was unable to raise a chargeback at that time and I find that it treated Mr M fairly by considering the other available remedy, a Section 75 claim.

That being said, after 15 days raising the chargeback was a possibility. Halifax didn't go on to attempt a chargeback and so I've thought about whether Mr M has lost out, given it was an available remedy. However, I'm not persuaded that it had a reasonable prospect of succeeding, so even if Halifax had revisited the possibility of a chargeback, I think it's unlikely to have resulted in a refund.

I say this because, even if Halifax had attempted the chargeback, I think it's more likely than not that P would've defended it, given it hadn't provided Mr M with the requested refund. I've taken into account that the rules state that in order to take the chargeback to the second stage, called pre arbitration, '*documentation necessary to support the validity of the dispute*' is required. Mr M has been clear that he doesn't have documentary evidence to confirm what he was told on the phone and so this information couldn't be provided, which was necessary to take the chargeback further. As a result, I think it's more likely than not that Halifax would have fairly concluded that the chargeback didn't have a good prospect of succeeding and as a result I'm not persuaded it would have been successful.

It follows that whilst I think Halifax could have reconsidered the option of a chargeback, I've not seen persuasive evidence that the chargeback would have been successful. As a result, the position Mr M now finds himself in is no different, as I'm not persuaded he would have received the refund he requested.

### Service

Mr M has also complained about how Halifax dealt with his requests for support, including how he was spoken to on calls and the information he was provided with. Halifax considered Mr M's concerns and as well as apologising, it offered £200 compensation, which Mr M declined. It's not in dispute that some things went wrong and so I've thought about the impact this had on Mr M, including the disappointment he would have experienced in finding out his claim was unsuccessful after being led to believe he would receive a refund during a call with Halifax. Having done so, I consider £200 compensation to be broadly fair. It's not my role to punish Halifax for mistakes it made and as such I can't fairly ask it to honour the mistake and provide Mr M with a refund.

In my opinion, Halifax dealt with the claim and Mr M's request for information promptly. Whilst I appreciate that Mr M would've preferred to have received the information he requested sooner, Halifax provided it within the timescales set by the Information Commissioner's Office for these type of requests and so I'm not persuaded that Halifax treated Mr M unfairly.

### **My final decision**

Bank of Scotland plc trading as Halifax has already made an offer to pay £200 to settle the complaint and I'm satisfied this offer is fair in all the circumstances.

So my decision is that Bank of Scotland plc trading as Halifax should pay Mr M £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2026.

Daniella Roberts

**Ombudsman**