

The complaint

Ms M is unhappy that Bank of Scotland plc trading as Halifax (Halifax) did not refund a payment she made using her credit card. Ms M is also unhappy with a bank switch process.

When I refer to what Ms M and Halifax said or did, it should also be taken to include things said or done on their behalf.

What happened

Ms M said that she is unhappy with Halifax for allowing a requested bank switch to go ahead, when the other bank she requested to switch to did not offer the same benefits she had on her original Halifax current account.

Ms M is also unhappy that a chargeback she raised for a holiday booked via a merchant who I will refer to as 'Merchant' was unsuccessful. The transaction were completed in December 2024 for a holiday with a departure date of 17 December 2024. Ms M wanted Halifax to refund her three amounts that were paid towards this holiday: £100, £683 and £45.96. Ms M said that the re-debiting of these amounts put her account into an unarranged overdraft, and Halifax did not offer her adequate support when she was trying to sort this out.

On 29 April 2025 Halifax wrote to Ms M and said that on 4 February 2025 they received a request to switch her current account to another bank. In this correspondence they explained that they would not be aware of the banking facilities that would have or have not been available with the bank she was switching to. Halifax explained that they must action the account switch, as they had confirmation that Ms M agreed to this. Halifax also explained that the switch guarantee moves her credits, direct debits, and standing orders and, as the account benefits are provided by Halifax, these would not be transferred to her new bank account. They said, once an account switch is completed, as part of the guarantee, her account will be closed, however as she had an outstanding balance, it will remain open to give her a chance to repay the amount, without giving her the ability to use the account.

In their correspondence, Halifax went on to explain that, as the outstanding balance of £793.61 was not repaid as part of the account switch, she will need to contact their Customer Financial Assistance team to discuss her financial situation and look at repayment options. They also reminded her that on 4 April 2025, they sent her a Formal Demand letter which said they will close her account and apply a default to her credit file in two months if a repayment plan is not agreed or the balance is not repaid in full.

Halifax also said they re-debited money from a dispute that she raised previously to explain the matter of the unarranged overdraft. On 24 December 2024, they said they provided Ms M with a conditional refund totalling £828.96. However, after an investigation, they re-debited this amount on 27 January 2025 which left her in an unarranged overdraft as her claim was declined.

Ms M remained unhappy. As such, she referred her complaint to us; the Financial Ombudsman Service (Financial Ombudsman).

Our investigator considered her complaint should not be upheld. The investigator was of the opinion that Halifax acted fairly and reasonably in not pursuing the chargeback further. The investigator also did not think that Halifax acted unfairly or unreasonably in processing the switch of Ms M's account.

Ms M did not accept the investigator's findings. As such, 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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

In this decision, I have to consider what is Halifax's liability to Ms M in the context of this specific complaint when deciding whether they should have done more to help her. Their liability is grounded in the chargeback process. In considering what is fair and reasonable, I need to take into account the relevant law and the related rules of this process into account.

In addition, this decision is not about the Merchant who is not a financial service provider for the transaction in question. As such, in this decision I am only considering the question of whether Halifax have treated Ms M fairly.

I have summarised this complaint briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focussed on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

I know that Ms M is unhappy about certain actions/inactions of other entities and for some of these Halifax might be responsible for. However, I can only consider actions/inactions Halifax are responsible for, and I cannot look at certain actions and/or inactions of the other entities which Ms M might be unhappy about. As such, in this decision I only focused on the aspects I can look into. Furthermore, I am only looking at the events that have been raised by Ms M with Halifax, the ones they had an opportunity to address in their 29 April 2025 correspondence. As such this decision does not cover any issues that may have happened after this date.

Chargeback

In some cases, a bank may be able to request a refund from the supplier through the chargeback scheme. The chargeback is a voluntary scheme which looks to resolve payment disputes between cardholders and a Merchant. These disputes are dealt under the relevant card scheme rules. There is no obligation for a card issuer to raise a chargeback when a consumer asks for one, but I would consider it good practice for Halifax to pursue a chargeback, as long as it is possible to do so (within the scheme rules and criteria), and provided there is a reasonable prospect of success. A chargeback does not guarantee a refund, as the Merchant can put forward a defence to the chargeback claim.

Halifax said that a chargeback was raised as Ms M claimed the merchandise/service was not received but the Merchant defended the chargeback. The Merchant, in their representment, confirmed the booking was valid and the holiday could have gone ahead,

with no 'no travel' warnings in place. Also, as the booking was made close to the travel date, the Merchant confirmed that, had the booking been cancelled, there would have been no refund available as per the terms and conditions of the booking.

I've taken the above into consideration when looking at whether Halifax acted fairly by not pursuing the chargeback further after it was defended by the Merchant. As part of this assessment, I considered the Merchant's response and what Ms M had provided. There are chargeback rights for goods/services defective/not as described or not received. As mentioned, I would consider it good practice for Halifax to pursue a chargeback further, bearing in mind the rules and criteria of the scheme, and when there is a reasonable prospect of chargeback success. However, on balance, I do not think that it was unfair for Halifax to take the stance it had based on the available evidence it had at the time. I have not seen enough evidence to be able to say, on balance, that the goods/services were defective/not as described or not received. I have also not seen any other evidence that would allow me to say that, most likely, Ms M would be entitled to a refund under the chargeback scheme for the holidays she had booked. As such, I do not think Halifax acted unfairly by not pursuing the chargeback further.

Bank switch process

Based on the evidence available, I can see that following the re-debit of the failed chargebacks, Ms M's account exceeded the agreed £400 overdraft limit. Halifax confirmed that daily interest charges were applied to the agreed overdraft limit amount, but not to the unarranged overdraft balance.

From the evidence available, I can see that on 4 February 2025, Halifax was notified of a request to switch Ms M's banking facilities to another bank. The switch request was received with a completion target date of 12 February 2025. As such, it was not unreasonable for Halifax to proceed with the transfer as requested by Ms M. I know that Ms M feels that this was not a beneficial switch for her, as the new account did not offer the same benefits she had on her Halifax current account. Because of this, Ms M feels that Halifax should not have actioned the switch request. However, it is Ms M that was responsible for deciding whether the account at the new bank was appropriate for her needs and it is not for Halifax to intervene in this process when they get a request that is legitimately and properly authorised by their account holder (Ms M). As such, it was not unreasonable for Halifax to proceed with such request.

The Halifax account had an outstanding balance. Therefore, Halifax were unable to close it completely on their system, as it needed to remain open for the collection process of the outstanding sums due. From the available evidence on file, I can see that Halifax sent letters confirming what would happen regarding the outstanding balance on the account.

While I appreciate Ms M's strength of feeling regarding her complaint, I do not think I've seen enough to say that Halifax have treated her unfairly and/or not acted in compliance with the FCA Consumer Duty in their behaviour towards her as a customer. I sympathise with Ms M for the difficulties that she has experienced and is experiencing but, taking all the circumstances of the complaint into account, I think Halifax has broadly handled the chargeback claim fairly based on the evidence it had. Also, they acted fairly regarding her account switch. As such, it is not fair or reasonable for me to require Halifax to take any further action regarding Ms M's complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 28 January 2026.

Mike Kozbial
Ombudsman