

## **The complaint**

Mr Y has complained about how Lloyds Bank PLC (Lloyds) handled his request for a refund.

## **What happened**

In April 2025, Mr Y made two payments to an online accommodation booking platform, I'll call D, using his Lloyds credit card. The payments were for holiday accommodation for himself and his family. Mr Y explained that having travelled to the location, and followed the directions provided by D, he was unable to locate the accommodation, despite spending many hours trying to locate it and asking for help. He said both D and the property owner were unresponsive to his contact and as the property was not accessible, he had to return home and decided not to return to the property, causing himself and his family both physical and emotional distress.

Unable to resolve matters with D, Mr Y approached Lloyds and asked it to assist him in getting a refund. Lloyds considered Mr Y's claim, and supporting evidence, under Section 75 of the Consumer Credit Act (CCA) 1974 (Section 75). It said that as the payment wasn't made to the property owner directly, the required debtor-creditor-supplier (DCS) agreement was broken and so Section 75 didn't apply. It noted D's terms, which said the contract was between Mr Y and the property owner and that it acted as agent only.

Unhappy with this response, Mr Y asked Lloyds to reconsider its position and raised a complaint.

In its final response Lloyds explained it hadn't made any errors in how it handled the Section 75 claim. It said that the necessary DCS agreement didn't exist, as the booking was made through D, who had made it clear in the terms and conditions that the contract was with the property owner. It also said there was no proven breach of contract, noting that D provided the address and instructions on how to locate the property, and that D were not responsible for Mr Y not being able to locate the property.

One of our Investigators considered the complaint and didn't find that Lloyds had treated Mr Y unfairly. Whilst he empathised with the situation Mr Y found himself in, he said that because there was no evidence of a breach of contract or misrepresentation by D, Lloyds hadn't treated Mr Y unfairly when it declined his Section 75 claim. He also said he didn't think a chargeback had a good prospect of succeeding because the property was available and a refund was not due in the event of cancellation.

Mr Y didn't agree with our Investigator's view and so 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.

I'd like to start by saying how sorry I was to hear about the impact the issue had on Mr Y and his family. Whilst I have the upmost empathy for the situation they were in, I must put those feelings aside when thinking about what's fair and reasonable in the circumstances of this complaint.

To be clear I am only determining whether Lloyds treated Mr Y fairly in how it handled the disputes, and not the actions of D, or the property owner, as the actions of those parties don't fall within this service's remit. Whilst there may have been issues, it doesn't necessarily mean that Lloyds treated Mr Y unfairly.

There were two ways in which Lloyds could potentially assist Mr Y 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 Y can make a like claim against Lloyds for any breaches of contract or misrepresentations 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 Lloyds treated Mr Y 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.

For there to be a successful claim under Section 75 there are certain criteria that also need to be satisfied. One of these is that there needs to be a valid DCS agreement as set out within the CCA.

### DCS agreement

Mr Y says that third party involvement in the transaction does not break the DCS agreement and therefore feels Lloyds are responsible for any failings of the property owner. Mr Y had two contracts, one with D to book the requested accommodation, and one with the property owner to supply the accommodation he paid D for. Given Mr Y didn't make the payment directly to the property owner, and whilst I appreciate this doesn't appear to have been an option, the required DCS agreement between himself, Lloyds and the property owner didn't exist. It follows that in my view the necessary criteria for a Section 75 claim had not been met to bring a like claim against Lloyds as he could have against the property owner.

Mr Y made the payment to D and in return it agreed to book the accommodation he requested and so I'm satisfied the necessary DCS agreement existed for the services D supplied to Mr Y. Given a Section 75 claim is a like claim against Lloyds, as Mr Y could have against the supplier he made the payment to, he would have needed to evidence to Lloyds that D breached its contract or made a misrepresentation, to have a successful claim.

### Misrepresentation

Mr Y has said that by D not providing adequate instructions on how to locate the property, it misrepresented that the property was accessible and available. In order to be persuaded

that Lloyds was liable for a misrepresentation made by the supplier, Mr Y would need to evidence that the supplier made a false statement of fact and it was that false statement that induced Mr Y into the contract.

Whilst I can appreciate why Mr Y feels a misrepresentation took place, given he never reached the property, I'm not persuaded that this is the case. I say this because D provided detailed instructions on how to locate and access the property, which on balance appear to have directed him to the correct property. As such I'm not persuaded a false statement was made. And D's response to Mr Y, after he raised concerns, suggested the property was available for him to use. So I'm not persuaded that a misrepresentation took place that Lloyds could be held equally as liable for.

#### Breach of contract- Implied terms

The Consumer Rights Act 2015 (CRA) is relevant to this complaint. Mr Y has suggested that D failed to act with reasonable care and skill, as required by the CRA, and as such this amounts to a breach of contract. I haven't seen any evidence to demonstrate that D didn't book what Mr Y asked it to, that it wasn't available on the dates he requested, or that it supplied him with inaccurate information about the location of the property. It follows that I don't think Lloyds were unfair not to uphold the claim on this basis.

Mr Y has said that he feels D's cancellation terms were unfair and that this, along with D's misrepresentation, breached The Consumer Protection from Unfair Trading Regulations 2008 and protections set out in the CRA. I've dealt with the misrepresentation arguments above and so I won't repeat that here. I have had regard to what Mr Y has said, however what I'm considering is whether Lloyds handled the claim fairly, and as such I can't make a finding on whether D breached these regulations. And in any event, even if I were to determine that Lloyds were liable for any unfair terms within the contract, the contract would still exist without those terms and I'm not persuaded this would've impacted the outcome of the claim.

#### Breach of contract- express terms

As the supply of the property is the crux of Mr Y's dispute, and because D was not responsible for the supply of the property given the booking was for accommodation only, he could not bring a like claim for any breaches in the supply of the property against Lloyds.

The terms and conditions between Mr Y and D set out that it was acting as an agent for the owner, that the rental contract was between Mr Y and the property owner and that it was not liable for any acts or omissions by the owner. Despite this D provided Mr Y with step by step instructions on how to locate the property, which as I've said above appear to have directed him to the correct property. And whilst I appreciate that Mr Y wanted on the day support, there was no provision within the terms and conditions of the contract with D to provide this service. D's role was to book the accommodation Mr Y requested and I'm satisfied it did so.

Moreover, even if I were to accept that Mr Y indicated he wanted to cancel by not returning to the property, there were no grounds for a refund in those circumstances. I say this because the terms made it clear a refund was not due within a month of the check in date. Mr Y was not due a refund unless the property was unavailable or unusable, which doesn't appear to be the case here, given the issue stemmed from Mr Y being unable to locate the property.

I appreciate that Mr Y feels strongly that he has provided Lloyds with evidence of a breach of contract and misrepresentation, but for the reasons I've explained I'm not persuaded this has

been sufficiently evidenced. It follows that I'm not persuaded that Lloyds treated Mr Y unfairly in how it handled his claim, based on the information it was supplied with.

### Chargeback

Lloyds' notes show that in response to its disputes (chargeback) team requesting information to consider the chargebacks, Mr Y called Lloyds and explained he would prefer for a Section 75 claim to be considered than a chargeback. In response to our Investigator's view, Mr Y said that *'Lloyds' refusal to attempt a chargeback when the Section 75 claim was first raised demonstrated poor complaint handling.'*

Whilst a chargeback was an available remedy, I don't find that Lloyds treated Mr Y unfairly when it followed Mr Y's instructions for it to consider a Section 75 claim over a chargeback. Especially in light of the fact that any potential additional financial losses could not be claimed back through a chargeback, only through a Section 75 claim. However, I've thought about whether Mr Y has lost out as a result of Lloyds not attempting the chargebacks, given they were an available remedy and therefore could've been considered instead of the Section 75 claim.

There are set rules and criteria under which Lloyds 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 Lloyds. 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 for consumers and in Mr Y's circumstances Lloyds had discretion to decide whether to attempt the chargebacks or not.

It doesn't appear that Lloyds attempted the chargebacks, presumably due to the request it received from Mr Y. Whilst a chargeback was an available remedy, I'm not persuaded that it had a reasonable prospect of succeeding, so even if Lloyds had revisited considering the possibility of a chargeback, I think it's unlikely to have resulted in a refund.

I say this because the evidence provided to Lloyds doesn't demonstrate that the property wasn't available to Mr Y, or that the directions provided were inaccurate. As such I'm not persuaded that the chargebacks had a good prospect of succeeding under the most suitable reason code of 'Goods or Services Not Provided', or any other reason code.

Even if Lloyds had attempted the chargebacks, I think it's more likely than not that D, through its own bank, would've defended them, given the response it provided to Mr Y made it clear that the property was available for him to use should he wish to return and that he had been provided with step by step written instructions on how to locate it. Had this happened, I think it's more likely than not that Lloyds would've fairly deemed this to be a valid defence that demonstrated that the chargebacks had little to no prospect of succeeding further, and as such I'm not persuaded they would have been successful.

It's worth adding that the evidence Lloyds may have asked Mr Y for, if it had considered a chargeback, was much of the same as it asked for when considering the Section 75 claim. It follows that I'm satisfied that any specific information requests made by a chargeback team wouldn't have been significantly different, or resulted in a different outcome.

Overall, for the reasons I've explained I'm not persuaded that Mr Y lost out as a result of Lloyds not considering or attempting the chargebacks, as I don't think it's likely they had a good prospect of succeeding. As such the position he finds himself in now is no different. It follows that I don't find that Lloyds treated Mr Y unfairly by not attempting the chargebacks.

### Service

I also thought about whether there was anything more Lloyds could've done to support Mr Y, having regard to, amongst other things, its obligations under the Consumer Duty. Based on the evidence supplied, I'm satisfied Lloyds dealt with the claim quickly, it gave Mr Y the opportunity to provide the evidence he wanted to support his claim, and it considered this before providing an answer, which in my opinion contained enough detail to enable Mr Y to understand why it reached the answer it did. Whilst I appreciate that Mr Y disagreed with the answer Lloyds provided, I don't find that it treated him unfairly, or ought to have handled things in a different way.

### **My final decision**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 6 January 2026.

Daniella Roberts  
**Ombudsman**