

## The complaint

Mr P complains about the outcome of a claim he made to NewDay Ltd regarding a property booking.

## What happened

In April 2025, Mr P paid £1,670.74 to a third-party booking agent that I'll call 'B' for a property stay from 19 May to 30 May 2025.

Mr P complained to B on 29 May 2025. He said there were several problems with the property, specifically:

- The sofa bed was broken and unusable, leaving insufficient sleeping arrangements.
- The window frames were severely rotted, compromising security and comfort.
- There were no legally required window restrictors, which was a serious safety concern, especially for children.

Mr P said he'd tried to resolve these issues previously with the property owner and with B but hadn't received a satisfactory response. He also said the issues he encountered were serious breaches of UK health and safety regulations and asked B to fully refund him. Mr P noted that B had previously offered him a partial refund of £250.65 but said this was inadequate considering the severity of the safety issues and the unacceptable condition of the property.

B didn't agree to refund Mr P the full cost of the booking. So, he contacted NewDay to initiate a chargeback. NewDay raised this but B defended it, saying the service was as described and that the accommodation was presented to Mr P as described. B also said in its defence that complaints about "*cleanliness, lighting and location etc....*" were subject to opinion. And they said they tried to help Mr P by contacting the property owners, but they had refused to provide a refund. B mentioned the property had a review score of 6.1 on their website which was an indication of the expected quality of the property and the provided service. And, because Mr P had stayed at the property for the duration of the booking, B said the chargeback couldn't succeed.

NewDay decided not to take the chargeback further. Mr P complained to NewDay, but they didn't uphold his complaint.

Mr P remained unhappy and referred his complaint to our service. Our investigator didn't recommend that it should be upheld. Mr P didn't agree and so his 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 want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mr P and NewDay that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues, which our powers allow me to do.

I'm sorry to hear of the problems that Mr P experienced with the property. It's important to note here though I am only considering the actions of NewDay as a financial services provider and whether they dealt with Mr P's request for a full refund fairly and reasonably. I'm not considering a complaint against the property owner or B, who aren't providers of financial services.

As Mr P paid for the booking using his credit card, there were two avenues that NewDay could have considered. The first was a chargeback and the second was whether Mr P had a valid claim under Section 75 of the Consumer Credit Act 1974 ("s75").

NewDay initially raised a chargeback. A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. What this means here is NewDay could in some circumstances ask for a transaction to be reversed if there was a problem with the goods or services supplied by the merchant that the consumer paid for.

But the chargeback process doesn't give the consumer legal rights, such as those Mr P has referred to like the Consumer Rights Act 2015 and any rights covered under health and safety regulations. And it's not guaranteed to result in a refund. It all depends on what the merchant says in respond to the request the bank submits.

There first must be a right to apply for a chargeback under the card scheme rules (in this case, the card scheme was Mastercard). And I'd consider it to be good practice for NewDay to raise a chargeback if it has a good chance of being successful. But chargebacks are decided based on the card scheme rules, not the relative merits of a cardholder/merchant dispute. NewDay should therefore raise the appropriate chargeback and consider whether any filed defence complies with the relevant chargeback rules.

Here, NewDay raised a chargeback under the reason code, *'Defective or Not as Described'*. I think this was the appropriate code to use bearing in mind what Mr P had said about the condition of the property. The chargeback was defended by B who said Mr P had received the services as they had been described and had used them.

NewDay decided not to take the chargeback further. I don't think that was unfair or unreasonable of NewDay. There is one key reason for this. Mr P had asked that he receive a full refund of what he'd paid for the booking, and he had made it clear to B and to NewDay this was the only resolution to his complaint he would consider. However, Mr P stayed at the property for the duration of the booking period and B had effectively pointed that out in its defence by saying Mr P had fully used the services.

I can't see anything within the chargeback rule that was used that would permit a full refund, in the scenario that occurred here. And, as our investigator pointed out, there was no provision within the rules that permitted any kind of partial refund and on what basis that would be decided. So, I can't see any way that Mr P would have received a full refund under a chargeback, even if NewDay had pursued the chargeback further including the final step of arbitration.

The other avenue that NewDay could have considered was whether Mr P had recourse for a full refund under s75. This sets out that, in certain circumstances, if Mr P paid for goods and services, in part or whole, on his NewDay credit card, and there was a breach of contract or misrepresentation by the supplier, NewDay can be held responsible. I'm satisfied the necessary criteria for Mr P to make a s75 claim was met.

However, much like how I've determined the chargeback element of this complaint, I see no reasonable way how Mr P should have been entitled to a full refund of the booking, as he's requested. It's quite possible there was a breach of contract or a misrepresentation bearing in mind the problems Mr P described, although I can't be certain of that seeing as Mr P had referred to certain *possible* risks with the property. But, as I've already mentioned, Mr P stayed at the property for the duration of the booking. I can see no conceivable way he would be entitled to a full refund even if there was a breach of contract or misrepresentation. So, even though NewDay didn't consider a s75 claim, I don't think this disadvantaged Mr P in view of what he requested as a resolution.

So, taking the above into account, I don't think that NewDay acted unfairly or unreasonably in how they dealt with his dispute overall, such that Mr P was entitled to a full refund and that NewDay prevented this.

As a result, and for the reasons I've set out, I won't be upholding Mr P's complaint.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 April 2026.

Daniel Picken  
**Ombudsman**