

The complaint

Mr G has complained about how Bank of Scotland plc trading as Halifax (Halifax) handled a refund claim he made.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

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 read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Halifax aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr G paid for this transaction using a Halifax credit card, both chargeback and a Consumer Credit Act 1974 (CCA) Section 75 (S75) claim could possibly help him. So in deciding what is fair and reasonable I've focused on this.

Mr G's complaint is about his booking with a hotel I shall call 'R' for April 2025. The booking payment was for £1995.68 on his Halifax credit card. Mr G has said that this was a part of a package holiday booked through a travel agent I shall call 'E' and that R was booked as all inclusive. However, when he arrived at R for his stay, he didn't receive the services he had booked as it was only half-board.

I'm aware that this holiday booking was made using different card payments and Mr G's Halifax card was only involved with a direct booking to the hotel from an online payment link. Therefore, I will only be looking at the refund claim relating to this particular transaction. I understand Mr G is pursuing separate refund claims involving the other card transactions and therefore I won't be commenting on those further.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Halifax acted fairly.

The relevant chargeback code here would be 'Goods or Services Were Either Not as Described or Defective'. I've therefore considered the evidence available with regard to this chargeback rule and whether Halifax acted fairly when they declined Mr G's claim.

A key requirement of this chargeback rule is 'Goods and services did not conform to their description'. Mr G became aware that the hotel had been booked as a half board prior to checking in on 7 April 2025.

However, there is insufficient evidence that this issue was due to R providing half-board accommodation in error. The booking was originally through E and Mr G in his correspondence to E on 1 April 2025 confirmed that the confirmation email from them inaccurately listed the booking as half-board.

He also said that R confirmed the stay was half-board and he was subsequently assured by E that they would contact R to rectify the error. Mr G also contacted E again on 4 April 2025 stating that as he had placed the booking through them, they should honour the agreed contract.

I therefore don't think Halifax did anything wrong in not progressing the chargeback claim further as I don't think there was a prospect of success had they done so. Firstly, Mr G did stay in the accommodation and even if Halifax was to consider a partial chargeback for the booking not being all-inclusive, there is insufficient evidence that this was due to an error on R's part rather than E.

I've therefore gone on to consider Halifax's handling of Mr G's S75 claim.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, Halifax would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and I'm satisfied they've been met here.

I've then considered whether there is sufficient evidence that R breached their contract to Mr G by not providing an all-inclusive stay. However, as the booking was through the travel agent and R did make Mr G aware that the stay had actually been booked as half-board prior to arrival, I've insufficient evidence that this occurred due to an error on R's part. As a result, I can't say Halifax did anything wrong in declining the S75 claim for breach of contract.

I've also considered whether R made a misrepresentation to Mr G but this would require a false statement of fact by them that induced him into the contract. I can't see that R promised an all-inclusive stay to him, although Mr G has said that it was the agent E that confirmed this when the booking was initially placed. I therefore can't say Halifax handled this aspect of the S75 claim incorrectly either.

I also understand Mr G considers the hotel booking to have been part of a wider package holiday arranged through E. However, the payment made using the Halifax card was for the hotel accommodation only, and that transaction created a legal relationship between Mr G, Halifax and the hotel. S75 doesn't allow that transaction to be linked to separate travel services paid using different cards or through different payment arrangements, even if they formed part of the same overall trip.

While package holiday legislation may make the organiser responsible for the performance of the travel services included in the package, that doesn't extend the scope of S75 to transactions that were not a part of the agreement tied to the Halifax credit card transaction.

In other words, the card issuer's potential liability under S75 can only relate to the supplier paid with that card, not to the broader holiday arrangements funded through other cards or providers. And as explained, there is insufficient evidence here that R breached their contract to Mr G or misrepresented it to him.

I appreciate the booking formed part of a package holiday arranged through E. However, the evidence suggests the disputed term – whether the stay was all-inclusive or half-board – arose from the booking made through E. While R provided a payment link for the accommodation, there's insufficient evidence that R themselves agreed to provide an all-inclusive stay.

As a result, when considering that the overall holiday arrangements were made through E, Halifax's potential liability under S75 would only extend to a breach of contract or misrepresentation by the supplier involved in the Halifax card transaction. On the evidence available, I'm not persuaded R made any such representation or breached their contract with Mr G.

I'm also aware that Halifax still offered a payment of £195.26 for the additional costs for food and drink during the stay as a gesture of goodwill. As this was made despite no evidence of a breach of contract or misrepresentation by R, I won't be commenting on this further. With all of this in mind, I won't be asking Halifax to do anything more.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 April 2026.

Viral Patel
Ombudsman