

The complaint

Mr C has complained Bank of Scotland plc (trading as Halifax) mishandled a claim for money back.

What happened

The parties are familiar with the background details of this complaint – so, I'll only briefly summarise them here. It reflects my role of resolving disputes quickly with minimum formality.

In April 2025, Mr C bought a caravan for £29,200 from a company who I'll refer to as R. He paid £28,200 using his Halifax debit card and the remaining £1,000 using other funds. Soon afterwards, Mr C asked R for his money back because he believed the sale had been misrepresented, with Mr C saying he'd found several issues with the caravan.

In May 2025, Mr C asked Halifax to raise a chargeback for the disputed transaction. Halifax asked Mr C to provide them with more information and evidence to support the claim – which Mr C provided. This led to Halifax raising a chargeback in June 2025 under Visa dispute condition 13.3: Not as Described or Defective Merchandise/Services.

Halifax received notification in July 2025 that R had defended the claim. Halifax didn't think the evidence provided by R was persuasive, so they decided to proceed to the next, pre-arbitration, stage. Mr C was also surprised R had defended the claim given he'd completed the return of the caravan to R in late June 2025 – which Mr C says R had agreed to.

On 26 August 2025, Halifax received confirmation that R had now accepted the chargeback. So, Halifax credited Mr C's account with the full disputed amount of £28,200 on 2 September 2025.

Mr C first complained to Halifax about how they had handled the claim in early July 2025. This included Mr C saying he hadn't received the promised refund and was having to pay interest on a loan he'd taken to help finance the caravan's purchase. Halifax made a £30 compensation payment to Mr C for the lengthy calls he'd experienced. Mr C asked the Financial Ombudsman to consider the matter in August 2025 because he was unhappy with the time it was taking for him to get his money back.

In October 2025, Halifax issued their final response to Mr C's complaint. In summary, Halifax said they were satisfied they'd processed the chargeback correctly and without delay. And they were not liable for the interest payments Mr C had paid for the loan he'd taken. But Halifax did accept that, on occasion, they had provided Mr C with some false and misleading information. In recognition of this Halifax paid Mr C a further £150. But Mr C didn't think this fairly resolved his complaint, so he asked the Financial Ombudsman to consider the matter.

Our Investigator didn't uphold Mr C's complaint. In summary, the Investigator agreed some of the communications Halifax had issued had led Mr C to believe he would receive a temporary refund - when this wasn't the case. But the Investigator thought the £180 Halifax had already paid to Mr C represented fair compensation for the distress and inconvenience

resulting from the poor customer service and communication. The Investigator didn't think Halifax had caused any undue delays in how they had processed the chargeback.

Mr C didn't agree with the Investigator's findings, saying, in summary, he doesn't believe the £180 Halifax has paid him fairly compensates for the impact Halifax's poor communication and serious and prolonged mishandling of the claim has had on him. So, this complaint has come to me to make a final 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.

Mr C has made several detailed points in his complaint including in the submissions he's made since the Investigator issued their findings. But in my decision, I don't intend to refer to everything or address every point made. I mean no discourtesy by this, instead I will focus on what I see as being the key outstanding points following the Investigator's outcome, and the reasons for making my decision.

A 'chargeback' is a way for a debit or credit card provider (Halifax) to reclaim money from the merchant's (R's) bank where there are certain problems with the purchase of goods or services by a consumer (Mr C). It isn't a legal right and there's no guarantee the card provider will be able to recover the money this way. It's a voluntary scheme and the process must follow the scheme rules. As Mr C's card was issued under the Visa brand, the Visa chargeback rules apply here.

The scheme rules are written by Visa. Halifax must follow the rules – which are strict, and time limits apply. The rules allow the merchant to either accept the dispute or provide evidence in defence of the chargeback. If an amicable conclusion can't be reached, it's Visa who decides the outcome of the dispute – not Halifax.

What I need to decide here is whether Halifax processed the chargeback correctly and in a timely manner. Based on what I've seen, I think Halifax did do so. But I agree that some of communications Halifax issued to Mr C were inaccurate and misleading. I'll explain why.

How Halifax handled/processed the chargeback

Given the size of the disputed transaction, I appreciate why Halifax wanted Mr C to provide them with more information and evidence before they raised the chargeback. In the circumstances, I think what Halifax asked for was reasonable. And I'm satisfied Halifax raised the chargeback soon after the requested information was provided by Mr C in June 2025.

The scheme rules allowed time for R to defend the claim. R did so within the permitted time limit – albeit they took most of the permitted time. But this wasn't something Halifax had any control over. Halifax identified that what R had provided in their defence was merely a copy of the information Halifax had sent to them at the time the chargeback was raised. Halifax decided the evidence Mr C had provided was persuasive and there was a good chance Visa would rule in Mr C's favour. So, they proceeded to the next, pre-arbitration, stage in the chargeback process. This was done within the scheme time limits, and I think in a timely manner.

Again, the scheme rules allowed time for R to provide further submissions in defence of the chargeback. 29 days later, R notified Halifax that they accepted the chargeback. So, Halifax credited Mr C's account with the full transaction amount (of £28,200) a couple of days later.

It's my understanding Mr C did receive some rental income. Mr C says this didn't cover what he paid out to get the caravan suitable to let. However, I think there is an argument that Mr C did derive some benefit from the caravan. Potentially, this may have allowed for R to say they should only make a partial refund. But I'm unaware of R raising this as an issue in their defence of the chargeback. So, it's not something I find I need to decide on here. Indeed, R decided to accept the chargeback in its entirety.

I think Halifax correctly followed the chargeback rules and processed Mr C's claim in a timely manner without any undue delays. And overall, I think Halifax kept Mr C reasonably informed about what was happening and what the next steps were.

Communication

It isn't disputed that on occasion, the communication provided to Mr C by Halifax was poor. To ensure compliance with the strict chargeback time limits, Halifax has automated several of the processes. I think this is reasonable. But I do think Halifax should have ensured the information they provided to Mr C was accurate and not misleading and they responded to any enquiries in a timely manner. It appears some of the confusion was caused due to the automated templates not being amended to fit the circumstances.

Some of the communications referred to Halifax having given Mr C a temporary refund – when this wasn't the case. Sometimes a business will do this. But a business isn't obliged to do so. Given the amount involved here, I appreciate why Halifax didn't provide a temporary refund to Mr C on this occasion and I don't think Halifax acted unfairly when not doing so.

Other communications also implied that Mr C would receive the money into his account by a certain date. Again, this information was inaccurate and misleading. Mr C was only going to get the money back if the chargeback was successful. I think Halifax ought reasonably to have taken more care to ensure the information they provided to Mr C was true and accurate. Halifax has also accepted that some of the calls Mr C made to them were lengthy. Mr C has also said several promised call backs never happened.

Based on what I've seen, I agree the customer service and communication Halifax provided to Mr C was, at times, poor. I appreciate Mr C has strong feelings about the impact he says this had on him. This is understandable given the frustrations and annoyance of Halifax failing to call him back when they said they would. I also think it's fair to say Halifax led Mr C to believe he'd get the money back around six weeks sooner than he did. Overall, I consider there was a loss of expectation, but I don't think this resulted in a financial loss. I say this because what Halifax told Mr C didn't result in the payment being delayed – here, the payment was made a couple of days after R informed Halifax they accepted the chargeback.

Taking everything into account, I think the £180 Halifax has already paid to Mr C represents fair compensation for the distress and inconvenience Mr C says he experienced due to the service and communication failings I've explained above. Although Mr C feels this doesn't go far enough, it's in line with what I would have awarded had it not been paid. I haven't seen any evidence that Mr C suffered a financial loss as a result of Halifax's poor service. Overall, I'm satisfied Halifax has treated Mr C fairly. So, I don't think further compensation would be fair in these circumstances.

Consequential losses

A chargeback is an available mechanism for a consumer to potentially get their money back through their bank when the seller declines to refund all or part of the disputed transaction amount. It's important to note that what can be claimed for under a chargeback is limited to the disputed transaction amount. Purchases using a debit card don't provide any protections under Section 75 of the Consumer Credit Act 1974. And as I explained earlier, a chargeback is a voluntary scheme and as such, it provides no legal right under the Consumer Rights Act 2015.

Mr C says he spent '*over £1,000 kitting out the caravan for rental use, costs which were never reimbursed*'. For the reasons I've explained above, these costs aren't something Halifax can be held liable for and are not recoverable under a chargeback.

Mr C also thinks Halifax should cover some of the interest he paid for the loan he took to help him buy the caravan. In the circumstances, I don't think it would be reasonable or fair for me to require Halifax to do so. I say this because it was always going to take some time for the chargeback process to complete and for the reasons I've explained above, I'm satisfied there was no undue delay in Halifax processing the chargeback.

My final decision

My final decision is that I do not uphold this complaint. To the extent that the offered £180 has already been paid to Mr C, I don't require Bank of Scotland plc (trading as Halifax) to take any further action in relation to this complaint..

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 5 March 2026.

Carl Bibby
Ombudsman