

The complaint

Miss O complains that Bank of Scotland plc trading as Halifax (Halifax) has treated her unfairly in relation to its obligations with regard to a payment she made using her debit card.

What happened

In March 2024, Miss O paid £852.78 to an airline company (who I'll call A) using her Halifax debit card. The booking was made through a travel agency (who I'll call E), however the payment for the flights was made directly to the airline. Miss O was booked to travel on 9 July 2024.

On 3 July 2024, Miss O contacted Halifax to raise a payment dispute. Miss O said due to a hurricane there was some uncertainty about whether she would be able to travel. She said she contacted Halifax at this time for support. Halifax has said Miss O contacted it to raise a payment dispute and provided evidence from E showing the booking had been cancelled and a refund promised.

On 13 July 2024, Miss O made a further payment of £168.10 to E. This payment was made to amend the original flight booking to 3 April 2025 and Miss O received email confirmation of the changes made. Miss O did not inform Halifax of the action she had taken at this time.

On 30 July 2024, Halifax raised a chargeback dispute under the reason code "Credit Not Processed" to A. Miss O was given a full temporary refund of £852.78 at this time. A initially defended the chargeback and following pre-arbitration, agreed a partial refund of £175.78. Miss O's account was re-debited of the balance of £677.00 on 31 October 2024.

Miss O says she continued to receive itinerary updates from A and E in the run up to her amended flight date. Miss O further says she went to the airport on her expected departure date to find her booking had been cancelled. She purchased tickets at the airport so she could continue her journey at a cost of £950.

On her return, Miss O raised a complaint. She said Halifax failed to investigate the status of the booking before processing the dispute, failed to contact her to confirm the status of the flights, did not explain the outcome of the dispute and its impact on her booking, and failed to warn her that the dispute could lead to her booking being cancelled. Miss O was asking for a refund of the re-debited amount of £677, a refund of the £950 pair for flights purchased at the airport and £250 for distress and inconvenience caused.

Halifax reviewed the complaint and didn't find it had treated Miss O unfairly. It said it had processed the chargeback on Miss O's behalf which had led to a partial refund. It further said it had not been updated when changes were made to the booking and as such it was not liable for any losses Miss O incurred.

Miss O then brought her complaint to our service. Our investigator said the chargeback was processed as we would expect by Halifax and the defence provided by the merchant was reasonable. She therefore thought it was reasonable for the dispute to have ended where it did. Our investigator further said the dispute had caused the booking to be cancelled,

however Halifax had relied on information Miss O had provided from E showing the flights had been cancelled when raising the dispute, so it had not treated her unfairly.

Unhappy with this outcome, Miss O asked for an ombudsman to consider her complaint. She said Halifax did not contact her for updates or warn her about what would happen if a chargeback was raised, she continued to receive flight updates and suffered financial harm due to poor communication. So, the complaint has now 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 would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

When Miss O first contacted Halifax about this matter, she says she was contacting it for support due to uncertainty caused by a hurricane. As far as I can see, at this time, Miss O informed Halifax that E had said the flight was cancelled and she would be getting a refund, but she had not received this yet. Miss O followed this up with an email in which she said she had received a refund for the hotel but had not yet received a refund for flights. Miss O attached evidence from E saying the refund had been processed.

Having considered the nature of the conversation had, I don't find it unreasonable for Halifax to have started the chargeback dispute process at this time. Miss O was essentially saying she had been promised a refund, which she had not received. Halifax used the reason code "Credit Not Processed" and this was the most appropriate reason code under which to raise the dispute based on the information and evidence supplied by Miss O.

Miss O paid more money to amend the flight between the date she first contacted Halifax, and the date the chargeback was raised. Miss O did not inform Halifax of the action she had taken – if she had done so, I find it unlikely that Halifax would have proceeded to raise the chargeback dispute. I understand Miss O feels that had Halifax investigated the matter more, it would have realised the flight was still active and had not in fact, been cancelled. I find that Halifax was entitled to rely on the information provided to it by Miss O and that the evidence it had already received from her indicated the flights had been cancelled. This was enough information for the dispute to be raised without the need for more information to be gathered so in the circumstances, I do not agree it needed to do more before raising the dispute.

When A defended the dispute and the decision was made to take the dispute to pre-arbitration, Miss O was updated by Halifax. As it was E (rather than A) that had agreed the

refund and based on the receipt of terms indicating the flights were non-refundable, Halifax made the decision to accept a partial refund and not proceed with the dispute any further. This was reasonable based on the information available to Halifax at the time, and so I find it handled the dispute fairly.

I understand Miss O is unhappy that she continued to receive updates about her flight from A and E and that she incurred extra cost in having to buy new flights when she got to the airport. Although I appreciate how distressing this might have been, I cannot agree that Halifax is responsible for what happened here.

Miss O raised a payment dispute with her bank, and her bank implemented this on her behalf. I don't find that Halifax was required to do more to protect Miss O from what happened because of this, in the way that she describes. Miss O said she received poor communication through the dispute process; however I find that Halifax communicated reasonably and was not required to assist Miss O in the way she describes unless she specifically asked for it, and there is no evidence that she did.

I understand Miss O likely did not realise raising a dispute might cause the cancellation of her flights, otherwise its unlikely she would have paid more to amend the dates of the flight or turn up to the airport. However, Miss O had received a refund from Halifax and did not keep Halifax updated as to her actions and plans after raising the dispute. I am sorry for what Miss O has been through, but I cannot agree that Halifax should take liability for her losses in these circumstances.

My final decision

My final decision is that I do not uphold Miss O's complaint against Bank of Scotland plc trading as Halifax.

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

Vanisha Patel
Ombudsman