

The complaint

Mr G complains that Lloyds Bank PLC didn't provide him with a refund for a course he purchased using his credit card account.

What happened

On 13 March 2025, Mr G paid a £4,000 deposit for a training course with a merchant I'll refer to as "N". He says at the time of making the purchase, he wasn't provided with any terms and conditions, and later, a continuous payment authority (CPA) was set up for him without his consent. Mr G says that after he realised there weren't any cancellation rights, he contacted N and requested a refund, however N refused.

Unable to get a refund from N, Mr G approached Lloyds to help him get a refund. Lloyds was able to successfully chargeback three of the payments Mr G made to N by CPA; but it wasn't able to get back the £4,000 deposit he had paid. Lloyds didn't uphold the claim Mr G made under Section 75 of the Consumer Credit Act 1974 (Section 75) for the £4,000 deposit he paid. Mr G felt this was wrong, as he says that N was in breach of the Consumer Rights Act 2015 when it failed to provide a service with reasonable care and skill and when it misrepresented the terms of the agreement. In addition to this, he says N were also in breach of the Consumer Contracts Regulations 2013 (CCR's) as it failed to provide him with his cancellation rights and pre-contract information.

Mr G complained to Lloyds about the outcome of his claim, stating that N had provided it with false information about the sales process. Lloyds responded to say it didn't think it had done anything wrong. In summary, Lloyds explained that N had fulfilled its requirements under the contract, and it appeared the basis for Mr G's claim was that he had changed his mind. Lloyds explained that the terms and conditions were made available online, and by agreeing to payment meant he accepted these terms and conditions. Lloyds also confirmed that cancellation had not happened within 14 days and the deposit was non-refundable.

To put things right, Mr G would like Lloyds to refund the £4,000 deposit he paid, refund any associated interest and pay him compensation for the distress and inconvenience the matter has caused him.

An Investigator considered the evidence provided by both parties, and in doing so, they didn't find that Lloyds had acted unfairly in how it handled Mr G's claim. Mr G didn't agree, and so the case was referred for a final decision.

While the case was waiting for a decision, Lloyds let us know that an agreement had been reached between Mr G and N, and N had now refunded the £4,000 deposit. Mr G still wanted compensation for how his case was handled by Lloyds. So, the case has been passed to me for a 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 considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done so, I don't uphold Mr G's complaint.

When a consumer approaches their credit card issuer about a problem with a payment made using their credit card, there are two avenues via which the business might be able help.

The card issuer can try to reclaim the amount (or part of the amount) the consumer paid on their card, via the dispute resolution mechanism operated by the card scheme and which is often known as "chargeback". It can also consider honouring a claim under Section 75. I will consider each of these mechanisms in turn below.

Before doing so, I think it'd also be helpful to explain that while I understand Mr G is unhappy with N and its actions, I can only look at the actions of Lloyds and its handling of Mr G's claim to it as a financial service provider.

I'd like to assure Mr G I've read everything he's submitted, I say this as I'm aware I've summarised his complaint in less detail than he has. I don't intend this as a discourtesy, but merely to reflect my informal role in reaching an outcome. This also means I haven't commented on everything Mr G has said, or all the evidence that has been provided, including each regulation Mr G has referred to – I have kept my decision to what I think is relevant.

Chargeback

Chargebacks are governed by rules set by the card scheme to which the consumer's card belongs.

I can see that Lloyds attempted a chargeback. The attempt for the payments Mr G made by CPA was successful and have been refunded to him. However, the chargeback attempt for the £4,000 deposit Mr G paid wasn't successful.

Generally speaking, it is good practice for a card issuer to attempt a chargeback where the right exists and there's some prospect of success. That said, they're not guaranteed to be successful, and a consumer is not able to demand that their card issuer attempt one. A chargeback can be defended too; the party which received the payment – in this case N – can resist a chargeback attempt. If neither party concedes then, ultimately, the card scheme (MasterCard in this case) itself can be asked to rule on the dispute in a process called arbitration.

In this case N defended the chargeback and provided Lloyds with detailed reasoning as to why. In summary, it explained and provided evidence to support its comments that the transaction wasn't refundable, the cancellation request had been made outside of the time allowed in the contract, Mr G had received the product and services he paid for.

Based on the evidence provided by N, Lloyds took the decision not to continue with Mr G's chargeback. Where the merchant defends a claim, it is up to Lloyds to decide whether or not to take the dispute to arbitration where it will be decided by the card scheme – and it would usually only do this if it thought it had a reasonable prospect of success. I can't know for certain what view MasterCard would have held had the chargeback been taken to arbitration, however, I think on balance, N's arguments and evidence would have been favoured over Mr G's.

I say this because N's evidence shows that Mr G initially wanted to cancel the agreement for personal reasons. And because the evidence provided by N shows that Mr G had cancelled outside of the time period allowed in the agreement, I don't think it likely the chargeback would have been successful for this reason. The evidence also shows that products were sent and delivered to Mr G's home address, and services had been provided to him. Overall, when considering the relevant chargeback rules, I don't think it likely the card scheme would have concluded that the merchant needed to refund Mr G and so I don't think Mr G has lost out by Lloyds not having continued with the chargeback claim.

Section 75

Section 75 allows Mr G to make a claim against Lloyds in respect of the course he bought using his credit card. For Section 75 to apply, certain criteria need to be satisfied relating to things like the parties to the transaction, the way the payment was made and the cost of the goods. I am satisfied this is met and Section 75 applies here.

In order for Mr G's claim under Section 75 to be successful, there would need to be evidence that either there has been a breach in contract, or a misrepresentation of the goods/services Mr G purchased.

A breach of contract can be a breach of an "express" term of a contract – meaning something which is written into it. Or it can be a breach of what is usually referred to as an "implied" term, which is a term treated as being included in the contract due to, for example, legislation such as the Consumer Rights Act 2015 and the CCRs (the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013) which says that it must be.

I've seen a copy of the terms that were applicable at the time Mr G purchased the course. These state that Mr G could cancel the contract, but he would need to do so within 14 days from the date of purchase. Because Mr G didn't make an attempt to cancel until months after the purchase date, I can't conclude that there was a breach in the expressed terms in Mr G's contract with N. And from what I've seen, I don't think it is in dispute that N didn't breach the expressed terms in the contract.

I have also considered the implied terms; in particular the CCRs. The CCRs apply to, amongst other things, distance sales. Given that the course was purchased online, I'm persuaded the purchase falls under the definition of 'distance' sale as stated in the regulations, and therefore the CCR's are a relevant consideration in this case.

Mr G says that the terms and condition weren't available to him prior to the sale. And so he wasn't aware of his right to cancel the contract. He says that this is in contradiction as to what was supposed to happen under the CCR's. In summary, the CCR's that apply to distance sales say that the contract must be made available to the customer before they place their order.

N has provided Lloyds with evidence to show that the terms and conditions were available prior to Mr G paying for the course – this was by clicking on a link to the contract prior to paying for the course. Mr G says that this information has been amended by N. And that the terms and conditions weren't available when he submitted the payment. He provided screenshots of the payment process to support his comments.

I have looked at the screenshots provided by Mr G, and these don't display the option for him to look at the terms and conditions. I can also see that N provided Mr G with an explanation as to why the terms and condition information wasn't available on the screenshot Mr G had provided – and this is because the page has since been archived. But

it explained that when Mr G bought the course, the link to the contract would have been available to him.

I understand that Mr G strongly disputes this to be the case. However, having carefully considered all of the evidence, I don't think the information Mr G has provided is conclusive evidence that the terms and conditions weren't presented to him before he made the purchase.

In my view, I find the explanation provided by N as to why the evidence Mr G provided didn't show the link to the terms and conditions seems reasonable. I can also see that N has explained that Mr G couldn't have proceeded to pay for the course without accepting the terms and conditions first – which is fairly normal practise from what I have seen. In my view, and on balance, the evidence available points to the terms and conditions having been available at the point of sale; which means it more likely that Mr G ought to have been aware of his cancellation rights.

I understand that N has now refunded Mr G the £4,000, and so Mr G's complaint is now in relation to compensation for how Lloyds has handled his claim. I'll start by saying here that even if Lloyds had come to an outcome that differed to mine, it doesn't mean that it didn't handle the claim appropriately – or that compensation would be warranted. And in this case, I can't fairly conclude that Lloyds' handling of Mr G's claim was unsatisfactory, and I don't think the outcome it reached on Mr G's claim was unreasonable, based on the evidence it had; and for the reasons I have already explained above. It follows that I won't be asking Lloyds to do anything to put things right for Mr G.

My final decision

For the reasons set out above, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 February 2026.

Sophie Wilkinson
Ombudsman