

The complaint

Miss F complains Lloyds Bank PLC acted unfairly by not refunding a payment she made using her credit card.

What happened

In December 2024, Miss F booked a package holiday abroad, with a company I'll refer to as H, scheduled for September 2025, that she was due to pay in instalments. It seems she made two payments towards the holiday using her Lloyds credit card. The first in December 2024, for £29 and the second in January 2025, for £114.95.

Miss F then says she became aware it was rainy season during September in the country she was due to visit, so attempted to amend or cancel her booking, but found there would be a charge to do this.

Before the outstanding balance was paid, Miss F made the decision to cancel, incurring a cancellation charge. Miss F also says H refused to refund the payments she'd made up to that point.

As a result, she complained to H. In summary she said H had misrepresented the weather conditions during her trip, as it didn't make her aware she was due to travel during rainy season, where she considered there was a risk of hurricanes. She also said it hadn't made clear how she could amend or cancel the trip and considered the amount it had charged for flights was inflated. Overall, Miss F considered H should refund her payments, as it hadn't let her know important weather information and had attempted to alter this information on its website after she complained.

H didn't agree with the concerns Miss F raised, so she contacted Lloyds in January 2025 for help in getting her money back.

Lloyds reviewed matters and declined Miss F's claim made under Section 75 of the Consumer Credit Act 1974 (CCA), as it said there was no evidence there'd been a breach of contract or misrepresentation by H. As Lloyds didn't change its outcome after Miss F complained, she referred the matter to this Service.

An Investigator here reviewed matters and didn't think Lloyds had made an error. They said as Miss F hadn't evidenced there'd been a misrepresentation or breach of contract by H, Lloyds hadn't acted unfairly in declining her section 75 claim. They also said Lloyds hadn't made an error in not pursuing a chargeback.

Miss F didn't agree and in summary said H had misrepresented the holiday by advertising it as "sun-soaked and hassle free" during what, she said was hurricane/rainy season. Miss F also noted the country she was due to visit had experienced a hurricane a few months prior to her planned trip. In addition, Miss F said Lloyds hadn't offered the option of raising a chargeback.

As no agreement could be reached, this complaint has been passed to be 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.

Firstly, I want to explain, within this decision I'm only able to consider whether Lloyds - a financial services provider – has acted fairly and reasonably in handling Miss F's request for a refund. I must make the distinction between the financial services provider (Lloyds) and the merchant (H). That's because I can't look directly at the actions of H, or comment on those.

When a consumer approaches their credit card issuer with a problem with a purchase made using their card, there are two avenues via which it can 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, known as "chargeback". Where the payment has been made using a credit card, it can also consider honouring a claim under section 75 of the Consumer Credit Act 1974 (CCA). I will consider each of these mechanisms in turn below.

Chargeback

Chargebacks are not guaranteed to succeed; the recipients of the funds (H in this case) can choose to challenge or defend a chargeback if they don't think it was valid. But I would expect Lloyds to attempt a chargeback if there was a reasonable prospect of success.

In this case, Lloyds didn't attempt a chargeback, which our Investigator has mentioned was because Miss F declined the opportunity. I'm aware Miss F disputes this, and having looked at Lloyds' notes it suggests Miss F specifically requested a section 75 review – but that doesn't necessarily mean she declined the opportunity for a chargeback to be raised. However, whether Miss F declined the opportunity to raise a chargeback or not, doesn't change the outcome, I'll explain why below.

If the card issuer decides to pursue a chargeback, it must be done so under one of the reason codes, set out in the rules by the card scheme. In this case, Miss F is effectively saying she should receive a refund, because H didn't make her aware of the possible weather conditions at her destination in the month of September.

It's not clear whether Miss F's credit card was a Visa or Mastercard, but ultimately, having considered the circumstances of Miss F's claim along with the reasons for which a chargeback can be raised under both sets of rules, I think it unlikely a chargeback would have been successful under any reason code. I say this as I don't think the basis of Miss F's dispute falls within the reasons set out by Visa or Mastercard for why a customer can ask for a refund of a transaction.

Given this, while Lloyds didn't attempt a chargeback, I don't consider Miss F lost out as a result. Because I don't think a chargeback would have succeeded in any case, as there was no suitable reason code, this means overall I don't think Lloyds acted unfairly here in not pursuing a chargeback.

Section 75

Section 75, says that, in certain circumstances, if Miss F paid for goods or services, in part or wholly on her Lloyds credit card, and there was a breach of contract or misrepresentation by the merchant, Lloyds can be held jointly responsible.

There are conditions that need to be met for Section 75 to apply. One of these is that there needs to be a 'debtor-creditor-supplier' (DCS) agreement in place between the parties to the transaction. Another is that the item purchased must fall within set financial limits. I'm satisfied these have been met for Miss F's claim.

I also need to be persuaded there has been a breach of contract or misrepresentation and if there has, what the resolution should be.

Has there been a misrepresentation or breach of contract?

Misrepresentation

For the purposes of this case, a misrepresentation is a false statement of fact which induces another party into a contract which leads them to suffer a loss.

Miss F has said H misrepresented the holiday by advertising it as "*sun-soaked and hassle free*" when she doesn't consider this would have been the case. That's because, Miss F says she became aware September was hurricane/rainy season in the destination she'd booked.

I'm aware Miss F has mentioned that, after raising her complaint, H amended its website. I've not been provided evidence of this change, but in any case, I've considered the evidence Miss F has provided from the time she purchased the holiday. Miss F has pointed to details on H's website that said:

"Whether you're after a sun-soaked beach break, a hassle-free all inclusive holiday or a cheap last minute deal, we've got a ... holiday with your name on it"

Having considered this, I don't agree this guarantees the weather, or the amount of sun Miss F would experience, rather sets out this can be an option, should she travel to the destination. So, I can't say this would amount to misrepresentation for the purposes of section 75.

While the website talks of the beaches being "sun-soaked", I haven't seen a definition for this and ultimately Miss F didn't take the holiday so there's no way of confirming what the weather was or wasn't like. I should also add, the wording she's referred to gives options of different holiday types – rather than guaranteeing every holiday it provides will include these features.

It's also important to note there cannot be a misrepresentation by omission. So, the fact H hasn't set out that September is rainy/hurricane season, doesn't mean it's made a misrepresentation.

Taking all of the above into account, I'm not able to conclude there has been a misrepresentation in this case, for the purposes of section 75. As such, I don't think Lloyds has acted unfairly in declining Miss F's claim.

I've therefore gone on to consider whether there has been a breach of contract.

Breach of contract

A breach of contract occurs when one party to the contract fails to discharge its obligation to the other. These obligations may come about as a result of the express term of the contract, or because of terms implied by legislation.

Miss F has said when she became aware September was rainy/hurricane season, she attempted to amend or cancel her booking. However, the cost of the booking increased significantly by amending it – such as the dates of travel and ultimately, she made the decision to cancel but H refused to refund the money she'd already paid. But I don't think either could be considered a breach of contract.

I say that because, H's terms say for bookings paid for in instalments (as Miss F's was):

"In the event you cancel after the second instalment, we/the Service Providers reserve the right to keep all payments made by you to date to cover administration charges."

As such, I can't agree H breached the contract Miss F entered with it by not refunding payments she'd made up to that point. I note the terms also say 100% of other aspects of the holiday would be non-refundable, including flights, non-refundable accommodation and transfers, among other things. In addition the terms confirm that cancellation charges will apply, as Miss F found. As such, I don't think Miss F has demonstrated the contract she entered with H has been breached.

I'm aware Miss F has referenced several rules and regulations within her submission, including the Consumer Right Act 2015 and Packaged Travel and Linked Travel arrangements regulations, all of which I've considered. Miss F says they require companies such as H to provide accurate and clear information regarding a package holiday, before a booking is made.

She says by H not providing information on the weather conditions, amongst other things, amounts to a breach of contract. But I don't agree. As explained above, an omission of information doesn't mean there has been a misrepresentation and I also can't agree it means H breached the implied terms set out in the regulations she's referenced. That's because matters such as weather simply cannot be guaranteed.

For completeness, Miss F has also mentioned that she considers the cost of the flights, within the package holiday, were excessive. However, she's not provided evidence of the cost, when asked by our Investigator, so I'm unable to comment on that aspect. And in any case, even if I had this information, it wouldn't change the outcome here. That's because Miss F agreed to the cost of the holiday, before payment was made and I haven't seen anywhere within H's terms and conditions that state the price of flights within a package would make up a set amount of the total cost. So even if the flights were inflated, I couldn't say this represented a breach of contract by H.

I should also say, while Miss F hasn't provided details, I don't consider charges for flight amendments would amount to a breach of contract either. That's because, flight prices fluctuate throughout a year, so it's reasonable to expect to pay more or less depending on when a flight is scheduled.

Taking everything into account, I'm not persuaded there has been a breach of contract in this case, so I don't think Lloyds acted unfairly in declining Miss F's section 75 claim.

Overall, while I appreciate this will come as a disappointment to Miss F, I don't think Lloyds has acted unfairly. While it didn't pursue a chargeback for Miss F, I don't think there was a reasonable prospect of success, as such Miss F hasn't lost out as a result. And section 75 is prescriptive in the way a claim can be made and based on what I've seen, there's no evidence there has been a breach of contract or misrepresentation here. So, I don't think Lloyds acted unfairly in its handling or decline of Miss F's section 75 claim, as a result, I won't be asking it to do anything here.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 26 February 2026.

Victoria Cheyne
Ombudsman