

The complaint

Mr G complained about the way Bank of Scotland plc trading as Halifax (Halifax) dealt with a claim for money back for accommodation he booked using his credit card account.

What happened

The circumstances of the complaint are well known to the parties so I'm not going to go over everything again in detail. But to summarise Mr G saw a villa advertised on an online platform I'll call "B". He contacted the supplier who I'll refer to as "V" and asked if there was availability for the villa. V asked Mr G to contact him separately and provided a phone number. Over messages, Mr G asked if the villa had a washing machine and asked for a clean and change of bedding during the stay in the villa, before he agreed to the booking.

From what I can see from the invoice, Mr G booked directly with V for six adults and ten children for 13 nights' accommodation. The total sum was for 8,700 euros and mentioned a deposit for 600 euros.

Mr G said that the villa was misrepresented and wasn't as described. He raised a claim under Section 75 of the Consumer Credit Act 1974 (Section 75) with Halifax and provided screenshots of the contact he had with V about the issues he experienced. Mr G said that the original advert on B's platform said that the villa had 5.5 bathrooms, but when he arrived at the villa, he found out it only had 2.5 bathrooms. During Mr G's stay he referred to the advert on B's platform which said the villa had two hot tubs, but V said that these were switched off so Mr G was unable to use them. Mr G complained to V about the lack of water for one of the days during the stay and housekeeping. He said there were delays in addressing the water issues and V said that the change of bedding and clean weren't included. Mr G also said that the air conditioning and lights weren't working at some point for a period of time and the front key for the door was taken and not returned. He also said that there was a deposit for 600 euros which wasn't returned. He wanted a full refund of 9,300 euros that he paid in total.

Halifax considered Mr G's Section 75 claim. It said that Mr G paid around £8,070 (once converted to pounds) to V including the deposit. It asked Mr G for evidence that the deposit of 600 euros was refundable and asked about the other guests and their relationship to him. Mr G explained the guests included three families and emphasised that his claim was about the misrepresentation of the facilities.

Halifax accepted there were issues and offered a partial refund of £1,344.50 representing approximately 50% of what it considered Mr G's share of the booking. Mr G didn't accept Halifax's offer and said that he contracted with V for the total amount and didn't agree with the way Halifax calculated the refund. Halifax considered a complaint but didn't think it made an error.

Mr G referred his complaint to the Financial Ombudsman. An investigator considered the complaint but didn't uphold it. He didn't think Halifax acted unfairly by not pursuing a dispute through a chargeback claim. He said he didn't think there was sufficient evidence to show that Mr G was contracting on behalf of the group. He explained that taking this into

consideration, he thought Halifax acted fairly by taking responsibility for a third of the amount paid and thought it was fair that it offered 50% of this to reflect the issues Mr G and his immediate family experienced, as he stayed for the duration of the booking.

Mr G didn't agree. He said that he paid the full amount, and he said that he didn't want to stay at the villa and asked V to charge him one night's stay but said he was required to pay a substantial amount, which Mr G said he felt he had to pay.

As the matter remains unresolved it has 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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr G and Halifax that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this. Where evidence is incomplete I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I'm very sorry to hear that Mr G had a problem with the booking. I appreciate it cost a significant sum and the issues he has described would be frustrating. I've reviewed the complaint and I'm sorry to disappoint Mr G but I've reached the same conclusions as our investigator for broadly the same reasons.

I understand Mr G was unhappy with some of the facilities at the villa that he paid V for, which were advertised by B. But I need to consider the actions of Halifax as the financial services provider in this complaint. I'm not considering a complaint about V or B. I've considered if Halifax has acted fairly and reasonably in the way it handled Mr G's request for a refund. I've gone on to think about the specific card protections that are available. In situations like this, Halifax can consider assessing a claim under Section 75 or raising a chargeback.

Section 75

Under Section 75, Halifax is jointly liable for any breaches of contract or misrepresentations made by the supplier of goods or services – which is V in this case. In order for there to be a valid claim under Section 75, there needs to be a debtor-creditor-supplier ('DCS') agreement in place and the transaction needs to be within certain financial limits. I'm satisfied the transactions fall within the financial limits. But where there are additional parties, this can affect the DCS agreement.

Mr G has said that he was the only one contracting with V and he paid the full amount, however there are challenges with determining that Mr G was the lead booker or had the correct authority which meant that he could act for all of the party (on the invoice) that were staying at the villa. I can see that Mr G provided an invoice to Halifax however this doesn't have details to determine that Mr G was the sole lead booker. Because of this uncertainty, I think it's reasonable that Halifax limited its assessment to what it believed Mr G's proportionate share might be.

I've also considered that Mr G requested a full refund, however it appears the whole group stayed in the villa (although I've noted that Mr G said that they hadn't wanted to, but due to the circumstances he needed to). So, although the facilities Mr G had expected weren't provided, the group had use of the villa and most of the facilities.

I note that Mr G has said that the villa was misrepresented, particularly in relation to the number of bathrooms and available facilities.

In order to consider if a misrepresentation occurred, I have to consider if a false statement of fact was made, which induced Mr G into the contract. While Mr G has shown that the advert on B's platform stated that there was a higher number of bathrooms than what Mr G said the villa had, I'm mindful that Mr G originally saw the villa advertised on B's platform, but he didn't book through B and paid V directly. I think there are a number of complications here for me to be certain that a misrepresentation occurred. Taking a step back, I think there are challenges on relying on the information Mr G saw on the platform when he had booked directly with V. I'd like to have been more certain that there was a false statement of fact which induced Mr G into the contract rather than it being a misdescription. It's also not clear from the invoice provided between Mr G and V were the same representations Mr G saw on B's platform.

I appreciate that Mr G said that he felt that he had no other option but to stay, however I'm also conscious that Mr G and the rest of the guests were able to utilise most of the facilities at the villa during the stay. So, even if there was evidence of a misrepresentation, I don't think it would be fair for him to be put back into the same position had a misrepresentation not occurred – this would mean Mr G had the use of the villa which he didn't need to pay for. As Halifax has offered a partial refund, I don't think I need to consider a misrepresentation further, I've considered if Halifax's offer is a fair way to resolve the complaint.

The Consumer Rights Act 2015 (CRA) is also relevant to this complaint. The CRA implies terms into the contract that the services will be performed with "reasonable care and skill". The CRA also sets out what remedies are available to consumers if statutory rights under a goods (or services) contract are not met, such as a repeat performance or price reduction.

As Mr G is a customer residing in the UK I'm satisfied that the above applies to the claim Mr G raised. I've considered the offer Halifax made and it appears that the refund it offered was around 16% of the total amount Mr G paid. I appreciate Mr G wants a full refund, however, given that he used the services, I don't think that Halifax's approach in calculating a partial refund was unfair.

Mr G provided communication with V to demonstrate that there were issues during the stay. Halifax accepted this but explained it's difficult to determine an exact figure to reflect the value of the facilities. There's no exact science in deciding the impact of the issues Mr G has described and based on the evidence provided, I don't think I have grounds to direct Halifax to do anything more. I think the amount it has offered is fair for a price reduction.

Mr G also mentioned a refundable deposit. I can see that Halifax asked for evidence that the deposit was refundable. Mr G referred to the card receipt which states pre-authorised however it's not clear on what basis the deposit was paid. I understand that Mr G has shown messages to show that the agreed price was 8,700 euros but I can't see that the evidence supports that the deposit was refundable or on what basis it was paid for. I think Halifax was fair to ask about the deposit and without evidence that it was refundable or the terms on which it was paid, I don't think it was unfair for Halifax to consider the total amount in its offer rather than refund Mr G the deposit amount, as there's insufficient evidence that there was a breach of contract relating to this.

I think based on the limited information available, I'm persuaded that Halifax's offer is broadly fair to resolve the complaint.

Chargeback

In this case Halifax didn't raise a chargeback. I've thought about whether Mr G would have had any different recourse under the provisions of a chargeback claim. Mr G would have been claiming under rules relating to services not as described or defective. As he stayed for the duration of the holiday, even if I were to think of it quite generously, the most he could have claimed for would be aspects of the holiday which weren't described or defective – not the whole holiday, which would be difficult to apportion a cost to. But even if there was an opportunity to do so, I don't think he would have been in a better position if a chargeback claim had been raised than what Halifax offered as a refund under a Section 75 claim.

Claim handling

I think Halifax asked Mr G for the relevant information to consider a Section 75 claim within a reasonable time and provided its position soon after. So, I don't think it's fair to ask it to pay Mr G any compensation.

I know Mr G will be disappointed with my decision. I'm satisfied that Halifax's offer is fair, and I won't be asking it to take any further action.

However, I should point out that Mr G doesn't have to accept this decision. He is free to pursue the matter by more formal means such as through the courts.

Putting things right

I think Halifax should pay £1,344.50 it offered to reflect a price reduction for the issues Mr G experience for the villa he booked under a Section 75 claim.

My final decision

My final decision is that I think the offer is fair in all the circumstances. Bank of Scotland plc trading as Halifax has already agreed to pay Mr G £1,344.50 in respect of his Section 75 claim. I direct Bank of Scotland plc trading as Halifax to pay this if it hasn't done so already. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 April 2026.

Amina Rashid
Ombudsman