DRN-6062109

The complaint

Mr K complains Bank of Scotland plc, trading as Halifax ('Halifax') unfairly declined his claim under Section 75 of the Consumer Credit Act 1974 ('S75 of the CCA').

What happened

Mr K had a flight booked with Airline C, however due to staff at Airline C going on strike on 14 August 2025 Mr K had concerns about the flight going ahead and so he booked a flight with Airline A to mitigate any travel problems.

Mr K booked the Airline A flight via a booking agent I'll refer to as 'E', and paid £452.47 for a business class flight, departing on 25 March 2025.

However, as the strike was resolved Mr K was able to travel with Airline C and so no longer needed the Airline A flight.

Mr K contacted Halifax to raise a dispute to recover the cost of his Airline A flight. However, Halifax said that they were unable to raise a dispute given what Mr K had told them. So a S75 claim was considered instead.

Halifax considered the claim, but declined it as they concluded no breach of contract or misrepresentation had occurred. Mr K challenged this, but Halifax were not persuaded to alter their position and so the matter was brought to our service as Halifax did not uphold Mr K's complaint about the declined claim.

Our Investigator reviewed the case and did not uphold Mr K's complaint. They considered Halifax had fairly decided not to raise a chargeback, and while the Investigator questioned whether all the conditions of a S75 claim had been met they concluded that in any event, given the circumstances, Halifax had fairly declined the claim.

Mr K strongly disagreed. In summary, Mr K said Airline A and E had misrepresented things to him; a travel credit E had offered him was not fit for purpose as it could not be used from the UK; extraordinary circumstances applied to his case due to the strike action of Airline C's staff; a breach of contract had occurred because he had reasonably expected flexibility with a business class ticket, and he was not made aware at the time of purchase that the flight was restricted geographically.

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.

Having done so I have reached the same outcome as our Investigator for broadly the same reasons.

I've only included a summary of what has happened above and while I may not respond to every point each party has raised, I have reviewed all the submissions available and I've focused on what I consider relevant to reaching a fair and reasonable resolution in this matter.

To reach a fair and reasonable decision I have taken into account any relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I realise this matter involves other parties, so for the avoidance of doubt I make clear that my considerations here are limited to what Halifax, as the provider of financial services, have done.

As Mr K made the purchase using his credit card, this opened up two possible mechanisms for recovery of the funds – chargeback and a S75 claim.

Chargeback

Chargeback is a mechanism where disputes about purchases which have been made using credit or debit cards can be settled by the relevant card scheme provider. Chargeback is governed by the card scheme provider's set of rules. There is no obligation on the card issuer to pursue a chargeback on a consumer's behalf - chargeback is not a legal right. However it would be considered good practice to raise a chargeback where there is a reasonable prospect of success.

My role here is not to say whether the card issuer's rules are right or wrong – it is to consider whether, in the circumstances, Halifax fairly handled the chargeback and applied the card scheme provider's rules.

A chargeback must be raised under a reason code found in the card scheme provider's rules and Halifax concluded Mr K had no valid chargeback. I've considered whether in the circumstances this was fair.

In Mr K's case Airline A's service was available to him and he chose not to use it. There is also nothing to support Mr K cancelled the service or that there was any promise of a refund given to Mr K.

In the circumstances, when taking into account what Mr K had told Halifax about what had happened and taking into account the rules of the scheme, it is difficult to see where Mr K's case would sit within the scheme provider's reason codes and so I think Halifax acted fairly in deciding not to raise a chargeback.

Halifax therefore went on to consider a claim under S75. It is not for me to decide the outcome of the claim, but I can consider if Halifax fairly handled the claim.

Section 75

S75 of the CCA gives a legal right for the account holder (the 'debtor') to claim against their credit card issuer in respect of breaches of contract or misrepresentations by a supplier of goods or services, so long as certain conditions have been met.

Mr K's purchase met the condition of the cash price limit under a S75 claim, but our Investigator noted it was less clear whether the condition of a debtor-creditor-supplier (DCS) agreement had been met.

This was because while Mr K was the debtor and Halifax was the creditor, the fact that Mr K bought his tickets using E, and therefore paid E, makes it less clear whether E was acting as the supplier of the service, or E was acting as the booking agent. (E's terms of service suggest E has the capacity to do both).

I therefore agree with our Investigator, based on the submissions, that it is not entirely clear in what capacity E is acting here. But even if I were to accept the requisite DCS agreement exists here for the purposes of the S75 claim Mr K is pursuing, I don't think this would make a difference in this matter, as I'll explain.

Where S75 conditions have been met, the next step is to consider whether a breach of contract or misrepresentation has occurred. A breach of contract is recognised where goods have not been of satisfactory quality and where services have not been performed with reasonable care and skill. A misrepresentation is recognised as a false statement of fact which induces a consumer to enter into an agreement and the consumer suffers a loss because of the misrepresentation.

Firstly, I've considered what Mr K has said in that things have been misrepresented to him, but I've not seen any evidence to support Halifax could have reasonably concluded that Mr K was told something incorrect – at the time of making his decision to purchase the flight with Airline A – about the flight booking, which induced him to enter into the agreement.

And secondly, I've not seen anything to persuade me that Halifax could have reasonably concluded a breach of contract had occurred.

E's booking confirmation confirmed Mr K had until 11:59 PT – on the date of booking – to cancel the flight for free. It also confirmed the flight was non-refundable and non-transferable, and referred to Airline A's conditions of carriage forming part of the booking terms.

In the circumstances I think Halifax fairly accepted Mr K's ticket was non-refundable. Airline A's conditions of carriage explain that they do not refund cash for non-refundable tickets, but they may provide a refund if a passenger cancels within 24 hours from the time they first buy the ticket and the ticket was bought at least two days prior to departure.

It is not clear when Mr K made the booking. However, I've noted Mr K was due to fly on the 25 August 2025 with Airline A, his credit card statements show the transaction was made on 21 August 2025. And E's email to Mr K with the booking confirmation is dated 23 August 2025.

These dates seem at odds with Mr K's reason for purchasing the Airline A flight (as the Airline C strike had ended on 19 August 2025), but I don't think this changes things. I say this because no party involved in this matter (including Mr K) provided Halifax, while they were considering the claim, with any evidence to support Mr K had cancelled the flight with Airline A.

Airline A sets out in their terms that for non-refundable tickets, if the trip is cancelled, the unused value can be used towards future travel with Airline A, depending on the fare rules, and the customer will receive a credit for future travel and be given a date by which it must be used.

Halifax initially noted the suggestion Mr K had been given credit to travel and concluded the supplier had acted in line with the cancellation policy. It was only later that it became apparent Mr K had not cancelled the booking and Airline A had declared the ticket void. It would therefore follow that no travel credit would have been due.

In summary, the flight Mr K had booked was available and it was not used by Mr K because it was his choice not to do so. There was no promise of a refund as Mr K's ticket was non-refundable, and while there were cancellation terms – some of them time-limited – there is no evidence Mr K cancelled the flight.

I realise this will be disappointing for Mr K, but I've not seen anything to persuade me that Halifax acted unfairly in their handling of the S75 claim given the evidence and submissions they had available at the time of the claim did not support that any misrepresentation or breach of contract had taken place.

My final decision

For the reasons above, my final decision is that Mr K's complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 April 2026.

Kristina Mathews
Ombudsman