

## The complaint

P, a limited company, complains that Zempler Bank Limited failed to refund some money via a chargeback request.

P is represented by its director, Mr C.

## What happened

On 18 October 2024, P made a payment of £3,000 to a travel retailer; I'll call the retailer "T". The payment was for the accommodation costs of a holiday.

A little less than a year later, in August 2025, P contacted Zempler Bank to dispute the transaction. Mr C, on P's behalf, said there had been issues with the hotel – specifically, that it had wrongly applied daily charges to a personal credit card of his. Mr C said he'd spent many months trying to sort that out with both T and the hotel directly. He hadn't, though, reached a resolution he was happy with; so, he wanted Zempler Bank to help recover the money P had paid T for accommodation.

Zempler Bank asked Mr C some questions about what had happened, but it ultimately concluded that it wouldn't proceed with a chargeback on this occasion. That's because it didn't think a chargeback had a reasonable prospect of success, given it had been raised outside of the time limits imposed by the card scheme.

Mr C complained, he thought P's chargeback should be successful. Zempler Bank, though, maintained that it had assessed his dispute correctly; so, Mr C brought his complaint to this Service for an independent review. An Investigator here considered what had happened, but he didn't think Zempler Bank needed to do anything more. He said, in the circumstances, that it had made a reasonable decision not to proceed with Mr C's chargeback.

Mr C asked for an Ombudsman's decision. So, as no agreement has been reached, P's complaint 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.

### Preamble

Before I move to address the merits of P's complaint, I want to set out some general – but important – information.

First, I'll say that I know how strongly Mr C feels about this matter; I've seen that he's provided a significant level of testimony and supporting documentation. So, I want to be clear that I have read and considered all that Mr C has said and provided. I haven't, though, commented on each and every statement he's made. Instead, while I appreciate the detail Mr C has provided, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose.

I'll also emphasise a crucial point around chargebacks: they are decided upon the rules of the card scheme (that's Mastercard, in P's case) – *not* on national laws. That's particularly important to stress, I think, given Mr C's view of the matter; I've seen he's made references to how P's dispute may be viewed in a court of law. I also know Mr C has been very clear with his objections to how T and the hotel operated, so it's also very important for me to say that I have no jurisdiction to consider the actions of either of those parties and won't comment on them here.

My role is to look at Zempler Bank, and whether it acted fairly and reasonably in all the circumstances. Our Investigator has already provided some indication as to how Mr C, or P, might be able to pursue the hotel and/or T – so, I'll leave it to Mr C to follow that up if he hasn't already done so.

### P's chargeback

For completeness, I'll explain that the chargeback process provides a way for the card issuer – in this case that's P's bank, Zempler Bank – to help a customer claim a full or partial refund of the amount they paid on their card, if certain things go wrong with what they've purchased. The process is mediated by the card scheme whose logo appears on the card in question – for P, this is Mastercard. Card schemes set various rules covering things such as what sort of scenarios are eligible for a chargeback, the kind of evidence required, and how long a person has to submit one.

It is, generally speaking, good practice for a card issuer to attempt a chargeback where the right exists and there's a reasonable prospect of success. That said, they're not guaranteed to be successful, and a consumer isn't able to demand that their card issuer attempt one. A chargeback can be defended too; the party which received the payment – generally known as the 'merchant', which would be T – can resist a chargeback attempt. If no party concedes then, ultimately, the card scheme itself can be asked to rule on the dispute in a process called arbitration.

Zempler Bank decided not to pursue a chargeback at all here, so there was no defence from T or arbitration from the card scheme itself. I've thought about whether that was a fair decision in the circumstances and, while Mr C will no doubt find this disappointing, I think it was. I say that because, quite simply, I don't think any chargeback raised here had much prospect of success.

Principally, I'm not persuaded there's an eligible chargeback scenario for P to recover the accommodation costs at all. Mr C told our Investigator that the stress caused by the hotel's administration errors meant he didn't enjoy his stay, or use of the hotel's facilities; Mr C considers that to equate to non-provision of a service that P had paid for. I understand his perspective, and it's likely the closest fitting chargeback scenario, but I don't think the card scheme, Mastercard, would see things in the same way as Mr C.

To explain, the specific issue Mr C has described is that the hotel unduly and repeatedly charged a credit card he holds (a personal card, not P's, seemingly with another financial business) without reason. But I don't think that such administration errors by the hotel – while frustrating, to say the least – would mean that in the eyes of the card scheme, that P could argue the service it had paid for hadn't been provided or wasn't available. In short, the hotel and its facilities were all still available, even if Mr C understandably wasn't best placed to enjoy it; and I think it highly unlikely then, that any attempt to raise a chargeback – to recover the cost of the accommodation – would result in a successful outcome.

Even if I'm wrong about that though, and it could be successfully argued here that P's dispute fits with a service not being provided, our Investigator is correct when they've explained there are strict time-limits. Mr C acknowledges that he raised his dispute outside of the 120-days set by Mastercard for the potentially applicable chargeback scenario, and while I know there's valid reasons why – given the months of correspondence with the hotel, and T, trying to resolve the matter – it doesn't mean Zempler Bank had any room for manoeuvre. It's crucial to remember that the rules are set by Mastercard, *not* Zempler Bank; even if it wanted to, the bank can't circumvent, amend or ignore them. And even if such a dispute was raised in time, for much the same reasons I've mentioned above, it would still likely be unsuccessful.

There's a chance a chargeback could've been raised to try and recover the disputed charges; but that would have to be done via the card issuer of the credit card the charges were applied to which, as I understand it, isn't Zempler Bank. Moreover, I've noted that it seems Mr C wasn't ultimately charged anyway, and the hotel did return the money. So, again, it's highly unlikely any chargeback raised for those transactions would've been successful.

In the round then, I don't think Zempler Bank has acted unfairly or unreasonably; I'm not persuaded P's dispute fits with the "service not provided" chargeback scenario – but even if it did any chargeback raised would be out of time, and it would very likely be unsuccessful in any event. So, whichever way, P likely hasn't lost out by Zempler Bank not pursuing a chargeback here and it follows that I don't think the bank needs to do anything more.

What I've said will, no doubt, disappoint Mr C; I know he feels very strongly about what happened, and I am truly sorry to read that he and his family had a stressful experience whilst on holiday. There's no doubt that what was supposed to be a relaxing and supportive time abroad didn't turn out the way Mr C hoped.

That said, while I certainly hope that things have improved for Mr C, it's for all the reasons I've explained that I can't fairly conclude Zempler Bank has done something wrong. If Mr C does wish to pursue T or the hotel any further, then he can now review some alternative options; and while he doesn't have to accept what I've said here, I'm afraid that this decision ends what our Service can do.

### **My final decision**

My final decision is that I don't uphold P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 9 February 2026.

Simon Louth  
**Ombudsman**