

The complaint

Mr E complains that Lloyds Bank PLC failed to properly pursue a chargeback.

What happened

On 27 September 2024 Mr E purchased an online course at a cost of £4,200. He says he never received anything from the merchant and he believes it was a scam. He contacted Lloyds on 10 September 2025 to ask that it recover his money.

It said it was unable to assist since the time limit for making a chargeback had passed and Visa did not accept chargebacks for scam payments. Mr E provided Lloyds with details of his health conditions both physical and mental and asked that it uphold his claim. He also noted that the time limit could be extended to 540 days and Lloyds had mentioned this in one of its communications.

Lloyds issued a final response letter on 14 November 2025 and explained that it had to operate under the rules set by Visa and as the request had been made after the 120-day time limit had passed it could not raise a chargeback. It also reiterated that the claim he wanted to make fell outside the scope of Visa's chargeback rules.

Mr E brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. She concluded that Lloyds had applied the rules for making a chargeback correctly and while she sympathised with Mr E's circumstances she could not say that the bank had done anything wrong.

Mr E didn't agree and said no account had been taken of the bank not even trying to attempt a chargeback. He thought that given there were no details provided for the training the 120-day deadline should not have been rigidly applied. Lloyds should have exercised greater care and support rather than relying on technical time limits.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that 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 also want to assure Mr E that I've reviewed everything on file. 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.

I would add that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry

regulator and I do not have the power to make rules for financial businesses or to punish them.

I thank Mr E for being so open about his health issues and I recognise the difficulties he has encountered. I appreciate dealing with his claim and complaint has been challenging for him. While I have every sympathy with Mr E I do not consider I can uphold his complaint. I will explain why.

Chargeback is a voluntary scheme run by the card scheme operator (here it's Visa) to process settlement disputes between the card issuer (such as Lloyds) – on behalf of the cardholder (Mr E) – and the merchant. It is not a legal right that the cardholder has.

Visa sets the chargeback rules and time limits for transactions made using the Visa card scheme. And it is Visa that decides whether a chargeback is successful – the card issuer simply makes a request on the cardholder's behalf. If the card issuer knows it is out of time, or is unlikely to succeed, I wouldn't necessarily expect it to raise a chargeback.

Under Visa's rules applicable to this case, a chargeback must be requested within (i) 120 days of the transaction processing date or (ii) within 120 days of the last date the cardholder expected to receive the goods or services (but not exceeding 540 days from the transaction processing date).

The chargeback rules are set by Visa, and Lloyds has no say in how they are applied. All it can do is operate within those rules when assisting a customer. The rules set the time limits and define what can be claimed and what cannot. Visa does not accept chargeback requests for money lost due to scams which is what Mr E has said has happened to him. That means Lloyds could not pursue a chargeback because the payment was thought to be a scam.

The only route available would be under the category titled 'goods or services not received'. Lloyds considered this, but also identified that the request had been made by Mr E outside the 120-day time limit. It mentioned the 540-day time limit and I can see that this may have given Mr E some hope he might succeed, but it did explain that this time limit did not apply to his circumstances.

In short, the 540-day time limit applies where the goods or services are to be supplied at a future date. For example, if the service purchased was the provision of a holiday to be taken in, say nine months' time the 540-day limit would allow for a chargeback to be made if the holiday was cancelled.

Mr E does not have a written contract, has no details of his purchase and there is no delivery date given so I cannot say that the 540-day time limit is relevant to his requested chargeback.

I appreciate Mr E has been frustrated by the rules which apply to the chargeback regime, but those are not set by Lloyds. In the circumstances I consider it was reasonable for Lloyds not to have raised a chargeback due to it being clear that it would not have succeeded.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 25 February 2026.

Ivor Graham
Ombudsman