

The complaint

Mr O has complained that Bank of Scotland plc trading as Halifax “Halifax” declined his claim for money back in relation to a set of insulation products he bought using credit it provided.

What happened

The facts in this case aren’t disputed so I’ll only briefly set them out here. Mr O bought some insulation products from a supplier (who I’ll refer to as S), in February 2025 for £426.10. Mr O used his Halifax credit card to pay for the items.

Mr O said he bought the products from S because S offered free delivery while other companies were charging for delivery. However, before delivery, Mr O says he was contacted by S explaining that, due to where he was located, there was an additional delivery charge of £114 as its usual lorry was unable to get to his property to deliver the items. Mr O says he paid this under duress as he needed the items. But after he received the items, he decided to return them. My understanding is that S will only allow Mr O to return the items if he bears the cost of doing so in line with its contractual terms. But Mr O feels that S was incorrect to force him to pay the delivery charge in the first place and should now arrange a refund at no cost to him.

S explained that the delivery surcharge for hard to reach areas was noted on its website and affects very few consumers, and Mr O was notified of the charge and offered cancellation before delivery. But Mr O instead decided to proceed with the sale and pay the charge. It also said that the cost of returning the items is to be borne by Mr O, again in accordance with its terms. Unable to resolve matters with S, Mr O raised a claim with his credit card provider – Halifax.

Halifax considered both a chargeback claim, and a claim under section 75 of the Consumer Credit Act 1974 (section 75). But it declined both claims saying that it didn’t think there was a breach of contract on the part of S, and that Mr O simply wanting to return the items did not give rise to a chargeback claim.

Unhappy, Mr O referred the matter to our service. He said that he was entitled to return the items without any reasons as long as he did so within the statutory right to return period of 14 days, that the terms S relied on weren’t in the main terms and condition of the sale on its website but noted elsewhere under delivery and returns policy. He felt these did not form part of the contract. He added that S also failed to follow several other regulations from the Consumer Contracts Regulations 2013 (CCR). He didn’t understand why Halifax was arguing there hadn’t been a breach of contract.

Mr O’s complaint was considered by one of our investigators. They didn’t think the complaint should be upheld for broadly the same reasons as those set out by Halifax. Mr O didn’t agree so, as the complaint couldn’t be resolved, the complaint has been passed to me to make a decision.

After reviewing the complaint in its entirety, I wrote to Halifax that I was minded to uphold the complaint in part. I explained that I agreed with Mr O that, S hadn’t made the terms related to

its returns process and charges being borne by the consumer clear to Mr O at any point prior to delivering the items. I explained in accordance with the law, this meant that S ought to have allowed Mr O to return the items at its cost and insisting that Mr O bear the costs of returning the items did, in my view, amount to a breach of contract. I asked Halifax for its comments.

I also explained to both parties that in relation to the additional delivery charge, that S had made them clear prior to delivering the items and gave Mr O an opportunity to cancel. But Mr O had instead decided to pay the charge and move forward with the contract, so I didn't think this amounted to a breach of contract or misrepresentation.

Halifax replied with the following:

- Halifax responded offering to refund to Mr O the amounts paid for the goods amounting to £426.10.
- It also offered to cover the costs of disposing the items. It has asked Mr O to submit quotes for disposing the items, and it would look to reimburse these costs so Mr O would not suffer any losses because of this.

Mr O responded broadly with the following:

- He was concerned with Halifax's view that cancellations are always exempt from section 75 claims. He said this was incorrect and he was worried about how the information on its website setting this out would affect consumers.
- The information related to the additional delivery charge was not brought to his attention prior to the sale, the terms hidden in another part of its website and he was told delivery would be free.
- Mr O explained that he needed the items ordered so accepted the delivery charge under duress. But his need for the items changed after the works that were due to be carried out shortly after delivery were re-scheduled. He was then able to source the items elsewhere and decided to exercise his right to cancel.
- He re-iterated his right to cancel and return the items free of charges under various provisions of consumer protection laws.

On 29 January 2026, I sent Mr O and Halifax my provisional decision setting out why I was minded to upholding the complaint in part. I asked both parties to submit any further evidence or make any final comments before I completed my review of the complaint. Halifax agreed with my findings, but Mr O made some additional comments which I will address below.

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'd like to reassure Mr O, that I have considered all his concerns carefully. While I can see Mr O feels strongly about his case and has put considerable effort into understanding and explaining the law, I will only be dealing with the most salient parts of this complaint in this decision as I'm required to decide matters quickly and with minimum formality.

Chargeback

Firstly, it may be helpful to explain that consumers who pay for goods using a credit card usually have two options to try to retrieve their money back through their credit card provider.

One of which is a chargeback claim and the other is a section 75 claim (which I'll address below). Chargeback allows for a refund to be requested from the card scheme provider where money was paid using a plastic card in certain scenarios, such as when goods or services are defective or not as described or a refund isn't processed in line with the merchants contractual terms.

In this case Halifax said that the rules under which it operates (Mastercard), it didn't think Mr O's request for a refund fell into any of the categories where Halifax could seek a refund through the chargeback scheme.

Having looked at the rules, I am inclined to agree that while consumers may have statutory rights to a refund on certain occasions, the Mastercard chargeback scheme doesn't mirror those rights and refunds can only be claimed under a limited number of scenarios. I don't think Mr O's claim fell into any of the categories where a claim would have had a reasonable prospect of success, so I don't think Halifax acted incorrectly by not progressing with a claim under the chargeback scheme.

Halifax's overall approach to section 75 claims

I understand Mr O is concerned about the information on Halifax's website, and what he feels is its general approach to cancellation, in relation to section 75 claims. I appreciate he is particularly concerned about the impact that will have on consumers seeking redress through the bank. However, this service is unable to police Halifax's processes or regulate the way it conducts its business. It seems Mr O has been in touch with the Financial Conduct Authority (FCA) about this and that would be the correct avenue to raise these concerns.

The Financial Ombudsman Service's role is to look into individual disputes and where consumers have lost out due to the fault of financial businesses, we have the power to direct such businesses to put things right for that particular consumer. So, while I understand his point of view, I am unable to comment on or assist Mr O with these types of concerns.

Section 75 claim

It may be helpful to explain that I need to consider whether Halifax – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr O's claim. Section 75 is a statutory protection that enables Mr O to make a 'like claim' against Halifax for breach of contract or misrepresentation by a supplier because he paid for the goods using a Halifax credit card. So, I need to consider whether, based on the available evidence, it was fair and reasonable for Halifax to respond to his claim in the way that it did, and if not, if there's grounds for me to uphold Mr O's complaint and order a remedy.

There are certain conditions that need to be met for section 75 to apply. From what I've seen, those conditions have been met, and Halifax appears to also agree that section 75 applies in this case.

To make a claim for misrepresentation, Mr O would need to evidence that S has misrepresented matters to him and that this caused him to suffer loss. We generally assess cases using the definition of a misrepresentation as, an untrue statement of fact or law made by one party (or his agent) to a second party which induces that second party to enter the contract, thereby causing them loss. I understand Mr O feels that S claiming that delivery would be free but then charging him a surcharge meant that S had misrepresented the sale to him.

In order to uphold Mr O's section 75 claim on the basis that there has been a breach of contract, Mr O would need to evidence that S breached a term of the contract – and that

caused him to suffer loss. He would have to show that either, there was a breach of an express term of the contract (for example a breach of a specific guarantee under the written agreement) or whether there has been a breach of an implied term. The Consumer Rights Act 2015 (CRA) implies terms into the contract, and it also sets out what remedies are available to consumers if statutory rights under a goods or services contract are not met. The CCR also has provisions on how, what and when information in relation to consumer contracts have to be provided to consumers which I've considered.

I think the main points in dispute here is that Mr O believes S has breached the contract in two main ways.

- Mr O feels that S breached the contract by asking Mr O to pay the delivery surcharge of £114 before delivering the goods to him. He adds that the claim that S delivers free of charge also amounts to a misrepresentation.
- Mr O also feels S breached the contract by insisting Mr O bear the costs of returning the items without making its terms related to its return policy clear to him prior to the conclusion of the contract.

I will deal with each issue separately.

Additional delivery charge

I have previously explained to Mr O and Halifax that, under the CCR, generally any additional delivery charges must be brought to a consumers attention, at the latest prior to delivering the goods. And while I agree with Mr O, S doesn't appear to have given this information to Mr O at the time he bought the items, all parties accept that it was made clear prior to delivering the items to him, which is in line with the law.

At this time, Mr O was able to cancel the contract and walk away obtaining a full refund or he could have continued with the contract whilst fully aware of the cost implications of doing so. He chose to accept the charge - so, this doesn't amount to a breach of contract. Even if I were to find that Mr O was given misleading information regarding delivery being free and not being told about the potential for an additional delivery charge – this was corrected before delivery giving him the opportunity to walk away. So, I don't think this is enough for me to uphold his complaint based on misrepresentation either.

I've thought about Mr O's reasons for accepting the charge and his belief that he was under duress when he accepted the charge but I'm afraid I don't think this amounts to duress. I don't believe the circumstances he set out meant that he was forced, compelled or coerced into accepting the charge. I think it was perhaps more convenient for him to accept the charge than to cancel and rearrange the planned works – but this doesn't amount to duress. So overall I don't find there are grounds for me to compel Halifax to refund the delivery charge to him.

I now move on to Mr O's claim for a return and refund of the items free of charge.

Return and refund

I have previously explained to Halifax that I agree with Mr O, that there was a breach of contract in relation to Mr O's claim for returning the items for a full refund and I felt, under section 75, it was obligated to put matters right for him. Halifax has accepted this and agreed to put things right, so I don't need to delve into this any further. Broadly speaking, as S didn't make it clear to Mr O prior to the sale, that he would bear the costs of returning any items, under the CCR, there is a term implied into the contract that S would bear the costs of

returning the items. So, S insisting Mr O bear the costs of returning the items does amount to a breach of contract.

I now move on to how to put things right. Halifax has offered to refund the full cost of the goods as well as cover the costs of disposing of the items. I think this leaves Mr O in a position where he suffers no loss due to the breach of contract and is a fair way to put matters right. However, I am also mindful that Mr O has had to wait a considerable amount of time for his complaint to be upheld and can see he has been left extremely frustrated with Halifax's response to his claim and then complaint. He set out his position clearly and quoted relevant provisions of the law in respect of his claim right from the outset. So, I think Halifax should also pay £150 compensation for the time taken to reach a resolution and the impact this had on Mr O.

Putting things right

- Halifax should refund the £426.10 Mr O paid for the items. Any interest or charges incurred on Mr O's credit card account in relation to this amount should be refunded. And if Mr O paid off the amounts, Halifax should add 8% interest from the date Mr O made the payment to the date of settlement.
- Once Mr O submits a quote for the disposal of the items, Halifax should cover the costs of disposal.
- Halifax should pay Mr O £150 for the trouble and upset caused with the way it dealt with his complaint.

Overall, I agree that Mr O's claim under the chargeback scheme was unlikely to succeed so I don't think Halifax acted incorrectly by not progressing his chargeback claim. While I don't think Mr O's claim in relation to the delivery charge should be upheld, I think his claim to allow him to return the items free of charge ought to have been upheld under section 75. So, I don't think Halifax's response to his claim was fair, but I think the above resolution is a reasonable way to put matters right.

Halifax agreed with my findings and is prepared to put things right in line with my provisional decision. Mr O replied and made the following comments:

- He doesn't believe there is a cost for disposal, and he should be able to dispose of the items without incurring any charges.
- That the delivery charge should not be separated out and dealt with as a separate issue. As I've found there has been a breach of contract, he should receive a refund of everything that he has paid as part of the overall contract.
- He further explained that he has had two heart operations during the period he's waited for a resolution and agrees that he shouldn't have had to wait this long when he'd made his case so clearly right from the outset.

Firstly, I wanted to say that I hope Mr O is now well following his medical procedures and I agree that his complaint should have been resolved much earlier. My order for Halifax to pay him compensation remains and Halifax has already agreed to pay this to him.

I appreciate Mr O doesn't believe he will incur a cost to dispose of the items, but I will nevertheless leave this as an option for him in case he does find there is a cost when disposing of the items. Once a final decision is issued, no changes can be made, and no further amounts can be recommended after the decision is issued. Halifax has made it clear that it wouldn't be fair for Mr O to keep and use the items as well as receive a refund for them as this would be significant betterment and I agree this wouldn't generally be permitted

under the law. Mr O should confirm that he's disposed of the items and also confirm if there is/is not a cost and how much (if any). Mr O shouldn't have to cover the cost of disposal so this should be covered by Halifax if needed.

In relation to the delivery charge, I have explained why I don't think Mr O is entitled to a refund of this. I appreciate I've found there has been a breach, but the remedy for this is to put Mr O in the position he would have been in had the breach not occurred. When Mr O contacted S to return the items, S ought to have collected the items (at its cost) and refunded Mr O what he had paid for the items. He would not have been entitled to a refund of the delivery charge if everything had happened as it was meant to – he simply should have been allowed to return the items without incurring any additional return costs. So, while I've thought about his comments, I still don't agree that this needs to be refunded.

Summary

I think Mr O's claim should have been upheld as S refusing to allow Mr O to return the items free of charge did amount to a breach of contract. So, I think Halifax ought to put this right (in the way I've set out below). I don't think the way S charged Mr O the delivery charge was unreasonable, and I find no grounds to direct Halifax to refund this to him. I still think Halifax should have upheld Mr O's claim when he made his case so clearly and the time taken to resolve it has been unreasonable. Due to this, I think a compensation payment is warranted in this case.

Putting things right

- Mr O should dispose of the items and confirm this has been done and also confirm that he was able to do this without incurring any costs.
- If Mr O discovers there is a cost, Mr O should submit a quote for the disposal of the items, Halifax should cover the costs of disposal.
- Halifax must refund the £426.10 Mr O paid for the items. Any interest or charges incurred on Mr O's credit card account in relation to this amount should be refunded. And if Mr O paid off the amounts, Halifax should add 8% interest from the date Mr O made the payment to the date of settlement.
- Halifax should pay Mr O £150 for the trouble and upset caused with the way it dealt with his complaint.

My final decision

For the reasons I've explained, I uphold this complaint in part. Bank of Scotland plc trading as Halifax must put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 March 2026.

Asma Begum
Ombudsman