

The complaint

Mrs K has complained Bank of Scotland plc (trading as Halifax) mishandled a claim for money back.

What happened

The parties are familiar with the background details of this complaint – so, I'll only briefly summarise them here. It reflects my role of resolving disputes quickly with minimum formality.

In April 2025, Mrs K booked return flights for herself and other family members through an online platform, who I'll refer to as P. Both the outbound and return flights involved a short stop over and the need to catch a connecting flight. For the outbound journey the initial and connecting flights were provided by different airlines. The booking comprised of two transactions with Mrs K paying £564.99 and £474.99 using her Halifax debit card.

Prior to departure Mrs K became aware the initial outbound flight was delayed. The delay meant it would have been impossible for her and family to board the connecting flight before its scheduled departure time. Mrs K says she contacted P for help, but they said she needed to contact the relevant airlines. Mrs K says they were also unable to help her. This led to Mrs K and family deciding not to travel because they were now due to arrive at the connecting airport late at night with no booked accommodation and no booked connecting flight.

Mrs K asked P for her money back under the 'self-transfer guarantee'. P refunded £377.66 but declined to refund the rest. So, Mrs K asked Halifax for help. Halifax agreed to raise a chargeback for the two disputed amounts. On 2 June 2025, Halifax credited £188.33 (the difference between £564.99 and £377.66) and £474.99 to Mrs K's current account. Halifax also credited a further £564.99 on 4 June 2025.

P defended the £474.99 chargeback but not the other. Halifax decided there was little to no prospect of the defended chargeback succeeding, so they closed the claim and debited the £474.99 from Mrs K's account. Unhappy with this outcome, Mrs K raised a complaint about this and how Halifax had handled the matter. Halifax responded by saying that as Mrs K had chosen not to travel, it was unlikely the scheme provider would have ruled in her favour had they asked Visa to make a final arbitration ruling. However, they accepted there were delays in them investigating and responding to the complaint. So, they paid Mrs K £300 for any resulting distress and inconvenience.

Unhappy with Halifax's response, Mrs K asked the Financial Ombudsman to consider the matter. Our Investigator thought Halifax had acted fairly and in accordance with the scheme rules when deciding not to proceed any further with the chargeback. They also thought the offered £300 comprised of fair redress for the acknowledged delays and poor customer service. Because Mrs K didn't agree with the Investigator's findings the matter has come 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.

A 'chargeback' is a way for a debit or credit card provider (Halifax) to reclaim money from the merchant's (P's) bank where there are certain problems with the purchase of goods or services by a consumer (Mrs K). It isn't a legal right and there's no guarantee the card provider will be able to recover the money this way. It's a voluntary scheme and the process must follow the scheme rules. As Mrs K's card was issued under the Visa brand, the Visa chargeback rules apply here.

In this instance, the scheme rules are written by Visa. Halifax must follow the rules – which are strict, and time limits apply. The rules allow the merchant to either accept the dispute or provide evidence in defence of the chargeback. If an amicable conclusion can't be reached, it's Visa who decides the outcome of the dispute – not Halifax.

What I need to decide here is whether Halifax processed the chargebacks correctly and in a timely manner. I've also considered how Halifax handled Mrs K's subsequent complaint.

Did Halifax act unfairly when deciding not to proceed with the chargeback

Firstly, it's important I highlight it isn't for me to decide if P or the airlines acted fairly. As Mrs K paid using her debit card it means the only viable means Halifax had of helping her get the rest of the disputed transaction amounts back was through the chargeback process.

I don't know why P only chose to defend the chargeback for the £474.99 payment and not the £564.99 payment. If a merchant decides not to challenge a chargeback, it means their customer will receive back the disputed amount – which is what happened here. Mrs K got to keep the £188.99 temporary credit Halifax made on 2 June 2025. However, Halifax has explained they made an administration error when also crediting the £564.99 to Mrs K's account on 4 June 2025. Halifax says they've no intention of taking this money back even though they would be entitled to do so.

P defended the £474.99 chargeback by saying all the booked flights had departed. I accept there was the possibility of Mrs K and family arriving at the connecting airport late at night and being left stranded with nowhere to stay and the uncertainty of not knowing if P or either airline would offer any assistance in booking accommodation and a new flight to the final destination and at what, if any, cost. In the circumstances, I appreciate why Mrs K decided not to travel. But it's also possible assistance would have been provided at the connecting airport. As Mrs K decided not to travel, we'll never know what would have happened.

Given the available evidence, I think it was reasonable for Halifax to conclude it was unlikely Visa would have made a final arbitration ruling in Mrs K's favour. In all the circumstances, I consider Halifax acted in accordance with the scheme rules and acted fairly when deciding not to proceed with the chargeback when they did. So, I think it was reasonable for them to take back the £474.99 from Mrs K's account. In any event, Mrs K was only entitled to receive back the total of the disputed transaction amounts through the chargeback scheme. This amounted to £1,039.98, but Mrs K has received £1,130.98 - which is £91 more than she was entitled to receive. So, I think it's fair to say Mrs K has benefitted from Halifax's error.

Communication and service provided by Halifax

Halifax has acknowledged they made an administration error when crediting Mrs K's account with the £564.99. Halifax has also apologised for the delays in them investigating and

issuing their final response to Mrs K's account. Having thought carefully about the impact this had on Mrs K, I think the £300 Halifax offered to pay to her for any resulting distress and inconvenience comprised of a fair and reasonable amount in the circumstances.

My final decision

My final decision is that to the extent the offered £300 has already been paid to Mrs K, I don't require Bank of Scotland plc (trading as Halifax) to take any further action in relation to this complaint.

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

Carl Bibby
Ombudsman