

The complaint

Mr A is unhappy with the way Lloyds Bank PLC handled his chargeback claim for a refund of a debit card payment.

What happened

Mr A has been represented at times by his son. To keep things simple, I'll refer to Mr A even where information has been provided by Mr A's son on the complaint. 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.

Mr A paid around £970 for a company ("the merchant") to repair his garage door in June 2025. While Mr A paid for the work, the contract was taken out in the name of Mr A's son. Mr A says the merchant left a mess after completing the work and the door still didn't work properly, meaning he couldn't access his car. He said the merchant didn't return his calls or put things right. Mr A also says he was overcharged, as the merchant didn't explain the original quote excluded VAT.

As he wasn't happy with the work, Mr A asked Lloyds to refund the payment. Lloyds raised a chargeback under the relevant card scheme rules and provided a temporary refund to Mr A's account. Mr A says he offered to send further evidence, but Lloyds said it wasn't needed. The merchant disputed the chargeback, saying it hadn't been made aware of any problems with the work. As the merchant defended the claim, Lloyds reversed the refund.

Mr A is unhappy Lloyds re-debited the money without warning and without asking for his evidence. After receiving Mr A's evidence, Lloyds says it took the chargeback to pre-arbitration. As the merchant didn't respond within 30 days, the chargeback was successful and Lloyds gave Mr A a permanent refund.

Mr A remained unhappy with the way Lloyds had handled the chargeback. He also said he had raised a subject access request (SAR) and Lloyds hadn't responded in time.

Lloyds says it sent Mr A an email advising the refund would be re-debited – but accepts it didn't send the message to the email address Mr A had provided. It also agreed Mr A's request for a SAR hadn't been passed to the correct team, so it arranged to do this. Lloyds offered to pay Mr A £50 to reflect the impact of these mistakes, but Mr A wasn't happy with this amount. He said he was vulnerable and Lloyds wasn't considering the impact this had on him. So he brought the complaint to our service.

Our Investigator didn't think Lloyds needed to do more to put things right. He said Lloyds had explained the refund was initially temporary and while it was then reversed, he was satisfied Lloyds had gone on to consider the further evidence Mr A provided. He said the claim had ultimately been successful, and Mr A had received a full refund. But he accepted Lloyds should have sent the updates about the chargeback to the correct email address, and it hadn't raised the SAR in a timely manner. The Investigator thought the £50 offered by Lloyds was a fair and reasonable way to resolve the complaint.

Mr A said he didn't think the outcome was fair. He said the Investigator hadn't addressed the failures he thought Lloyds had committed. He said Lloyds also failed to issue a response to the complaint within the FCA's timescales, and the Information Commissioner's Office had confirmed Lloyds hadn't responded to the SAR correctly either. He asked for an Ombudsman to make a final decision on the complaint.

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 agree with the outcome reached by the Investigator – and I'll explain why.

Mr A has made several detailed points in his complaint. I've considered everything he's said and all the information on the file. But in my decision, I don't intend to refer to everything or address every point made. I mean no discourtesy by this, instead I will focus on what I see as being the key outstanding points following the Investigator's outcome, and the reasons for making my decision.

I also want to clarify that my role here is to consider the complaint Mr A made about his chargeback. Mr A has raised other concerns about the way Lloyds has treated him on other disputes, as well as complaining about actions that took place after the complaint was made. If Mr A isn't happy about more recent events, this is something he will need to raise with Lloyds first.

A chargeback is a process under the relevant card scheme, set up to settle disputes between card holders and merchants. These schemes are voluntary, and the rules about when a customer can request a chargeback as well as the requirements of both parties involved are set by the card scheme itself.

It's important to clarify that it's not for me to decide any dispute between Mr A and the merchant. I can only look at whether Lloyds has acted fairly and reasonably in the circumstances of the complaint. To do this, I've considered the card scheme rules for the relevant code, including the expectations for both the merchant and customer.

The chargeback itself was eventually successful, and Lloyds gave Mr A a full refund. So, I don't think I need to consider the details of the claim itself. Instead, I've focused on the way Lloyds handled the chargeback and whether it supported Mr A during the dispute.

The chargeback was determined by the rules of the relevant card scheme, so I've thought about how these rules might affect the way Lloyds handled the dispute. But I'm not aware of the card scheme requiring Lloyds to explain the temporary refund in a certain way. Lloyds says it did send an email explaining the refund would be reversed, but it acknowledges that it sent this to the wrong email address. Unfortunately, Mr A didn't get this email so he was surprised when the refund was reversed. I'm sorry to hear this was upsetting for him, and I agree Lloyds could have handled things better here.

Mr A requested the chargeback in June 2025 and Lloyds raised it right away, providing the temporary refund. The merchant defended the claim in July and Lloyds re-debited the refund a week later. It took the chargeback to the pre-arbitration stage in August and as the merchant didn't respond in 30 days, it provided the permanent refund in September 2025. So, I'm satisfied Lloyds processed the chargeback following the timescales the card scheme rules set out for such a claim.

I've also considered whether Lloyds needed to ask for more evidence from Mr A before it raised the chargeback. Lloyds says it followed the correct steps when raising the chargeback and Mr A shouldn't have been asked for evidence until after the merchant defended the claim. The card scheme rules say Lloyds can provide further evidence at the pre-arbitration stage, which it did.

As the merchant initially defended the chargeback, I can't say for certain the dispute would have been resolved sooner if Mr A had been able to provide his evidence upfront. So, while I can understand why Mr A might have felt Lloyds wasn't considering his claim fairly, I don't think Lloyds made an error or treated him unreasonably.

Mr A says Lloyds didn't process a request he made for a SAR and says the Information Commissioner's Office has agreed Lloyds took too long to respond. As another entity has made a finding on the delay, I don't think it's appropriate for me to do the same. However, Lloyds accepted the impact the delay had on Mr A, and it's something I've considered when thinking about how Lloyds should put things right.

Finally, Mr A says Lloyds didn't send a response to the complaint within the 8-week timescale set by the regulator. He says this supports that Lloyds provided poor customer service. It's unfortunate Lloyds wasn't able to respond to the complaint on time, but it sent Mr A the appropriate notice that he had the right to bring the complaint to our service without a final response. Lloyds did issue the final response shortly after this, upholding the complaint. So, I don't think Lloyds treated Mr A unfairly here overall.

I've thought carefully about the impact of Lloyds' actions on Mr A. I'm not making an award for the upset or inconvenience of the claim itself, as Lloyds isn't responsible for the actions of the merchant. I also need to consider that some of the inconvenience was experienced by Mr A's son, not necessarily by Mr A himself. I'm mindful Mr A's son has told us his father is vulnerable - he hasn't explained how the dispute affected Mr A differently, but I've kept this in mind in any event.

I do think Lloyds ought to have provided better customer service to Mr A by sending the update emails to the email address he provided and passing on the details of his SAR to the right department sooner. Having thought carefully about how Mr A says he was affected throughout the complaint, I think these errors likely had a small impact on him overall. This isn't to say I don't believe Mr A was upset by the dispute itself – but as I've explained, I'm only considering the impact of the things I think Lloyds did wrong.

Lloyds paid Mr A £50 compensation to reflect this impact, and I think this is broadly in line with the award I would have made. So, I don't think Lloyds needs to do anything more to resolve this complaint for Mr A.

My final decision

My final decision is that I do not uphold this complaint. As Lloyds Bank PLC has confirmed it already paid £50 to Mr A, it doesn't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 May 2026.

Hannah Dunkley
Ombudsman