

## Complaint

Mr J complains that TSB Bank plc declined his chargeback claim for a refund of a deposit he says was paid when renting a property.

## Background

Mr J booked a holiday rental online via a third party and paid using his credit card. During the booking process, Mr J says he was led to believe that the final price he was quoted included a refundable deposit of €350. Mr J paid around €1,763 (£1,557) to book the property but after he returned the expected deposit refund wasn't received.

Mr J asked TSB to retrieve the deposit and it initially refunded the full price he paid on 1 October 2018. TSB debited Mr J's account for £1,226 on 6 December 2018 and a further £1,557 on 29 January 2019. On 20 February 2019 TSB credited Mr J's credit card with £1,226. Ultimately, TSB declined Mr J's chargeback claim as the merchant said it had acted in line with the terms he'd agreed to when making the booking. Mr J complained but TSB didn't agree to refund the disputed deposit.

Mr J referred his complaint to our service and it was passed to an investigator. He thought TSB should have made a claim for Mr J under Section 75 of the Consumer Credit Act (Section 75). The investigator thought the way the deposit worked had been misrepresented when the booking was made. The investigator asked TSB to refund the disputed deposit but it didn't agree and asked to appeal. As a result, the case has been passed to me to make a decision.

## My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In this case, TSB attempted a chargeback but as Mr J paid with his credit card it could have also tried to reclaim the funds by making a Section 75 claim. And Section 75 says TSB, as the creditor, is jointly and severally liable if the retailer has performed a misrepresentation or breach of contract. I'm satisfied that TSB could have raised a Section 75 claim for Mr J.

I note that TSB says the merchant made it clear that the "Deferred Damage Deposit" wouldn't be charged unless the property owner raised a claim and that Mr J hadn't been charged. But I don't agree that the information given to Mr J when he made the booking was clear. I agree with the investigator and Mr J that details of how the deposit worked made it appear as if part of the total price he was charged would be refunded.

Mr J has sent in screenshots of the online booking journey and I can see the property owners sent a message saying "...*The quote includes a refundable deposit for damages.*" Next to this message, on the screenshot I've seen, the "Damage Deposit" is quoted as being €350. I also note that under the Frequently Asked Questions screenshot for the property information about the deposit was given. Whilst the quality of the text I've seen isn't completely clear, I can see it says "*For this property we'll collect, hold and return your damage deposit...*" I can understand why Mr J thought part of the price he was quoted included a €350 damage deposit that would be collected and held before being returned after the stay.

I have to balance that against some of the other information the merchant gave about deposits. On the same screenshot Mr J sent in it says *"Your payment method won't be charged or authorized (for a hold on funds) unless the owner makes a valid claim within 10 days of your checkout."* I take TSB's point that there is information that indicates the deposit wouldn't be charged unless the property owner made a claim. But I think the other information Mr J received gave a clear indication that the deposit formed part of the total booking price and would be refunded after his visit. And I'm satisfied, from what I've seen, that Mr J made the booking on the basis that the €350 damage deposit would be refunded on his return.

I agree with the investigator that the deposit was misrepresented which induced Mr J into making a booking. I think Mr J would most likely have booked elsewhere if he'd been aware of the true price for renting the property. I agree with the investigator that TSB should refund the damage deposit Mr J thought he paid.

The investigator also asked TSB to pay £100 for the trouble it caused by unfairly declining Mr J's claim. I agree TSB's decision to decline Mr J's claim was upsetting. I can also see TSB made various mistakes when processing its chargeback claim and applying refunds to Mr J's account. In December 2018 it debited £1,226 from Mr J's credit card account but in January 2019 it debited a further £1,557 without first refunding the previous month's payment. That meant Mr J had to contact TSB and ask it to correct its mistake which was inconvenient. I'm satisfied from what I've seen that TSB has caused Mr J unnecessary trouble and upset. I agree £100 fairly reflects the impact of TSB's errors on Mr J.

### **My final decision**

My decision is that I uphold this complaint and direct TSB Bank plc to refund the disputed €350 Mr J was charged. I also direct TSB Bank plc to pay Mr J £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 23 November 2019.

Marco Manente  
**Ombudsman**