

complaint

Mrs S complains that Sainsbury's Bank Plc didn't refund her fully for errors it made in handling a chargeback

background

Mrs S purchased two sets of airline tickets through a travel agency and later discovered one set hadn't been confirmed by the airline. She asked the bank to make a chargeback for the unconfirmed flight tickets, but it made chargebacks on both sets of tickets. As a result the agency cancelled the tickets and she had to buy new ones so she could attend a family wedding.

The bank apologised and paid her the extra cost of the new tickets and offered her £200 compensation. However, Mrs S had paid a deposit of £1,000 in cash and she asked the bank to cover this cost. It refused and suggested she take the matter up with the agency, so Mrs S brought her complaint to this service.

The adjudicator recommended that the complaint be upheld. She concluded that there was no dispute that Sainsbury's made an error when they charged back the payment made for the confirmed flights and as a result of this, Mrs S was out of pocket by £1,000.

Mrs S had an email from the agency on 5 May 2015 to confirm they had received the £1,000 deposit she made. The adjudicator was satisfied that the payment was made for the tickets and not for any other purpose.

She could see that Mrs S tried to contact the agency on a number of occasions after the booking was made to confirm whether the tickets had been booked. She noted the emails Mrs S had sent to the agency after the amount was charged back by Sainsbury's in an effort to recover her money.

The adjudicator tried to access the agency website to find its terms and conditions, but wasn't able to do so. It appears the website doesn't exist anymore. She also attempted to contact the agency by phone, but without success. In the circumstances the adjudicator considered it was highly unlikely that Mrs S would be able to get her money back from the agency.

In any event, she didn't believe Mrs S should have to pursue the agency as the error wasn't made by her. Had Mrs S made the cancellation, the adjudicator would have understood why Sainsbury's could have considered it reasonable for Mrs S to take the matter up with the agency. However, this was an error made by Sainsbury's and she didn't believe it would be fair or reasonable that Mrs S should be financially disadvantaged because of an error made by someone else. The bank didn't agree as it considered that Mrs S couldn't show that the deposit was non-refundable.

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, I agree with the adjudicator and for the same reasons. I'm satisfied that Mrs S has lost £1,000 as a result of the error made by Sainsbury's and it should refund her this sum and pay compensation.

my final decision

My final decision is that I uphold this complaint and I direct Sainsbury's Bank Plc to pay Mrs S £1,000 plus compensation of £200. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 12 February 2016.

Ivor Graham
ombudsman