

The complaint

Mr M complains about how Lloyds Bank PLC (“Lloyds”) dealt with his request for money back in relation to a payment he made to a travel company.

What happened

The circumstances of the complaint are known to both parties. So, I won’t go over everything again in detail. But, in summary, Mr M said he tried to make a flight booking with a travel company and when he was going to make payment using his Lloyds credit card the screen went blank and eventually the web page crashed. Mr M then went on to a website for a separate travel company and saw the same flight advertised there, which he then booked using his Lloyds credit card.

Mr M then checked his e-mails and saw that the flight had been booked not only with the second company he used, but with the first one as well. So, he had booked the same flight twice. The payment for the first booking was £429.07, and the second booking was £426.96.

Mr M contacted the first travel company and asked for a refund, but says he was told by them that they couldn’t help. So, he put in a claim with Lloyds. They raised a chargeback which was defended by the merchant’s bank and Lloyds didn’t take this any further. And they told Mr M there weren’t sufficient grounds for him to make a successful claim under section 75 of the Consumer Credit Act 1974 (“section 75”).

Mr M complained and referred his complaint to our service. One of our investigators looked into things but didn’t make any recommendations. She felt that Lloyds had handled the chargeback fairly and that there was no evidence of a breach of contract or a misrepresentation from the travel company which could have given rise to a successful section 75 claim. She said the travel company had sent Mr M an e-mail immediately after the purchase and the flight had flown as intended. And she said that the travel company’s terms and conditions set out there were no applicable grounds for a refund once the booking had been made.

Mr M didn’t agree. He said the travel company breached their terms by not showing a confirmation page for the booking. Mr M highlighted a term which says, *‘We would like you to know that, as soon as you complete the necessary information on the payment page, you will see a confirmation of your reservation of booking ID’*. He also said Lloyds told him they would contact the travel company and to leave it with them. And he said he’d tried to contact the travel company despite our investigator saying otherwise. Mr M also said Lloyds lied about sending him an e-mail about his claim.

As things weren’t resolved, Mr M’s complaint has been passed to me for a decision.

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.

I'm considering whether Lloyds has acted fairly and reasonably in the way it handled Mr M's request for getting his money back. In situations like this, Lloyds can consider raising a chargeback or assessing a claim under section 75.

The chargeback process provides a way for a card issuer to ask for a payment to be refunded in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme. It's not a guaranteed way of getting money back.

While it's good practice for a card issuer to attempt to chargeback where certain conditions are met and there's some prospect of success, there are grounds or dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. And something going wrong with a merchant won't always lead to a successful claim.

I've first thought about the way Lloyds handled the chargeback claim. As I've said above, for a successful chargeback there needs to be a valid chargeback condition for a successful claim. I've looked at the list of chargeback conditions under which a chargeback may be processed with the relevant card scheme. There wasn't a problem with the actual travel service paid for so I don't think conditions relating to services not being as described or not being provided would be relevant. And I don't think Lloyds could have used the condition relating to a credit not being processed as I've not seen any evidence that shows the booking was refundable in this scenario. There is a condition relating to the purchase transaction not completing, but Mr M has shown us two confirmations he received for the two bookings. So, I don't think that situation is covered either.

Therefore, while I know he'll be disappointed, I can't see that Lloyds acted unreasonably by failing to pursue the chargeback further because there wasn't a valid chargeback condition that might've led to a successful claim. I appreciate that Mr M has said that Lloyds didn't send him the e-mail they say they sent which asked him to provide further information following the defence from the merchant's bank. But, even if that didn't happen, bearing in mind what I've said above I don't see that Mr M's position would have been any different.

I've next thought about Lloyds' liability under section 75. This enables Mr M to make a like claim against Lloyds for breach of contract or misrepresentation by a supplier paid by credit card in respect of an agreement it had with him for the provision of goods or services. There are certain conditions that need to be met in order for section 75 to apply, and I'm satisfied those conditions were in place.

The issue in this case is that I've not seen there's a breach of contract that Lloyds could be held liable for. While I of course appreciate Mr M didn't need two bookings, this doesn't give rise to a breach of contract. I've not seen sufficient evidence that the booking crashed because of a fault with the travel company's website, when it's possible that the issue occurred at Mr M's end for example. I'm not saying the latter is true; it's just that I haven't seen enough to discount this.

Taking everything into account I have to remember I'm considering a complaint against Lloyds and not the travel company. So, I must consider their obligations as a provider of financial services – in this case the way they handled the chargeback claim and its liability for breach of contract or misrepresentation under section 75. Even though I completely empathise with the situation and can understand Mr M's frustration and why he thinks it would be fair for him to receive a refund, it doesn't mean I can direct Lloyds to refund him, where I've not got the grounds to do so. So, I'm not going to direct them to take any action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 June 2024.

Daniel Picken
Ombudsman