

The complaint

Ms C complains that Lloyds Bank PLC failed to reclaim payments she made from her debit card. She's also unhappy with the level of service Lloyds provided.

What happened

In June 2023, Ms C used her debit card to make a total payment of £1,629.46 to a travel agent. I'll refer to the travel agent as "L". Ms C made two separate payments: an initial deposit of £265.78 on 2 June, and the remaining balance – of £1,363.68 – on 19 June.

The payments were for a package holiday to Gran Canaria, Ms C had booked a 14-night stay on the island between 30 June and 14 July. Unfortunately, Ms C was unhappy with her hotel; specifically, on the last night of her stay, during a heatwave, the air-conditioning in her room didn't work. She says this caused great distress and anxiety and, as a result, she suffered from medical issues.

Ms C complained to the hotel, both during her stay as well as afterwards, and to L too; she said she didn't receive the service as it was described. L did pay her a small amount of compensation, around £67, as a gesture of goodwill, which Ms C says she never agreed to. Overall, though, her complaints were largely rebuffed. So, Ms C approached Lloyds for help in raising a chargeback.

Ms C wanted to reclaim the full cost of her holiday. She cited the problems with the air conditioning and said that what she'd paid for wasn't as described. Lloyds asked Ms C for some further information which she did ultimately provide, though she experienced a few issues with accessing emails the bank had sent her.

Shortly afterwards, Lloyds told Ms C it couldn't help. In a brief explanation, it said it had no grounds to raise a chargeback because Ms C had stayed at the hotel for the full extent of her visit. So, she'd received the service she paid for.

Unhappy, Ms C complained about the outcome she'd been given, and the service provided by Lloyds. In response, Lloyds said it was sorry that some of the service provided to Ms C had been poor – and it arranged to pay her a total of £70 compensation to recognise that things could've been better in that regard. Lloyds maintained, though, that there were no grounds for chargeback in the circumstances.

Ms C brought her complaint to our service for an independent review. An Investigator here considered what had happened; she didn't think Lloyds needed to do anything more. The Investigator said that there had been some service failings on Lloyds' part, but £70 compensation was enough, in the circumstances, to recognise the impact of those failings.

Overall, she thought Lloyds had correctly reviewed the chargeback claim and made a reasonable decision not to proceed. That's because Ms C didn't appear to have a valid

claim.

Ms C disagreed, and she asked for the complaint to be reviewed by an Ombudsman. She largely reiterated her previous points, but she did also mention that she thought certain circumstances – specifically, her autism – should be taken into consideration by this Service. So, the complaint has now been passed 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.

Having done so, I can see that Ms C has raised several points. While I've read and considered all that she's provided, I haven't commented on each and every statement she's made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose.

For completeness, I'll explain at the outset that the chargeback process provides a way for the card issuer – in this case that's Ms C's bank, Lloyds – to help a customer claim a full or partial refund of the amount they paid on their card, if certain things go wrong with what they've purchased.

The process is mediated by the card scheme whose logo appears on the card in question – for Ms C, this is Visa. Card schemes set various rules covering things such as what sort of scenarios are eligible for a chargeback, the kind of evidence required, and how long a person has to submit one.

Generally speaking, it's good practice for a card issuer to attempt a chargeback where the right exists and there's some prospect of success. That said, the unique circumstances of a dispute means it won't always be appropriate for the bank to raise a chargeback. The rules set by the relevant card scheme, which I referred to above, specify certain grounds and conditions, and if these aren't met then a chargeback is unlikely to succeed.

Having considered the circumstances of Ms C's dispute, alongside Visa's rules and guidance, I think it's unlikely a chargeback would've been successful. That's because for disputes such as hers, where services haven't been as described, or were defective in some way, Visa's rules say that such disputes can only be made for the "unused portion" of the service.

Here, from what I've seen, there was no "unused portion". Instead, Ms C stayed at the hotel for the full duration of the package that she'd booked and paid for. I know there are reasons why Ms C chose to do that; she's explained how other hotels were full, she was unwell, and that she had an airport transfer arriving the following morning. Visa's rules, though, are clear and they aren't something Lloyds can simply choose to waive or bypass.

Separately, I understand why Ms C thinks her autism should make a difference to my review and decision here. But I'm afraid such circumstances don't change things. Ultimately, I must consider the chargeback scheme rules and, subsequently, if attempting one would likely succeed; for the reasons I've explained, in Ms C's case, I don't think it would.

Overall then, I don't find that Lloyds was wrong not to attempt a chargeback in the circumstances. I'll also add, having reviewed Visa's rules and guidance, that I'm satisfied

there were no other appropriate grounds for a chargeback here.

Looking at the service provided by Lloyds, I agree that it could've been better. In particular, the trouble with accessing its systems would no doubt have caused frustration and annoyance. So, I'm satisfied that Ms C was, at the very least, put to some inconvenience. To that end, I was pleased to see Lloyds accept this, and to see that it's paid Ms C a total of £70 compensation – which I find to be a fair and reasonable amount in the circumstances.

In closing, I know that what I've set out here will disappoint Ms C; I certainly don't mean to downplay the impact this experience had on her whilst she was abroad – and I'm truly sorry to read of how she was affected, and that she didn't enjoy her holiday. But for the reasons I've explained, I can't fairly conclude that Lloyds acted unreasonably when it decided not to proceed with attempting a chargeback.

It follows that I don't require Lloyds to take any further action, and I don't uphold Ms C's complaint.

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 Ms C to accept or reject my decision before 30 December 2024.

Simon Louth
Ombudsman