

The complaint

Mr N complains National Westminster Bank Plc (“NatWest”) won’t refund all the money he paid towards a holiday after he experienced an issue with the accommodation booked.

What happened

On 24 December 2023, Mr N booked a packaged holiday through a travel company (who I’ll call A). Mr N paid £1,074 for a 7 night holiday and this cost included flights, transfers and accommodation.

Mr N says when he booked online, he selected a particular hotel to stay at, however when he received the booking confirmation, it showed his booking had been made at a different hotel.

Mr N contacted A on 27 December 2023 to let it know that his accommodation was incorrect. A informed Mr N that if he wanted to change the accommodation, a fee would be incurred. It said if Mr N wanted to cancel the booking, he would receive a refund of 50% of the cost of the holiday. A said it offers changes to bookings for free if contact is made within 24 hours of booking but as he was outside that time frame, charges would apply. Mr N said he had tried to contact A within 24 hours but its contact centres were closed due to the holiday period. Mr N said he emailed within 24 hours to let A know there was an issue but when asked for a screen shot of the email, Mr N did not provide the evidence requested.

Mr N went to NatWest on the same day as he had paid for the purchase using his NatWest credit card. NatWest raised a chargeback for half of the money paid. NatWest considered whether the money could be recovered under Section 75 of the Consumer Credit Act 1974 (“Section 75”) but found that Mr N hadn’t proven there was a breach of contract and could find no evidence of misrepresentation.

Mr N brought his complaint to our Service. He said his bank had failed him and he would like a full refund along with compensation for the distress caused and the missed opportunity his family had to have a holiday.

Our investigator considered a complaint and didn’t think NatWest had done anything wrong. Our investigator said that NatWest had gone further than expected in raising a chargeback as the information didn’t suggest Mr N had cancelled the booking. She also thought NatWest had not acted unreasonably in declining a claim under Section 75.

Mr N asked for an Ombudsman to review his complaint, and so it has 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.

Chargeback

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

In the particular case, Mr N is saying that he booked a different accommodation to that listed in his booking confirmation. NatWest considered whether it could raise a chargeback under 'Service Not As Described' or 'Service not Received' as these reason codes may've meant it could recover the full amount Mr N paid towards the holiday. On review of the evidence, NatWest found that it didn't have enough to proceed under these reason codes.

NatWest then decided to proceed with a Chargeback for half of the money paid towards the holiday under the reason 'Cancellation' as the booking terms and conditions allow for this refund. I understand A is disputing this and NatWest continued to attempt the chargeback to the pre-arbitration stage of the chargeback process.

Based on the information available to NatWest at the time, it was not unreasonable for it to decline to proceed with a chargeback for the full amount under the reason codes listed above. The types of evidence required for a successful claim that the service was either not as described or not received are not present here. Instead, NatWest noted that Mr N was entitled to a 50% refund if he cancelled the holiday and proceeded with a chargeback under this reason code.

I understand that Mr N would not have evidence that he booked a different accommodation to that which appeared on his booking confirmation, however I find it unlikely that a chargeback claim would have been successful for the full amount or even for half of the amount as there is no evidence to suggest Mr N cancelled the booking. And so, it follows that I find NatWest has acted reasonably when handling Mr N's chargeback.

Section 75 CCA

Section 75 of the CCA allows for a debtor (Mr N) to hold a creditor (NatWest) jointly and severally liable for any breach of contract or misrepresentation made by a supplier of goods and services (A). We would expect NatWest to consider whether there is a valid claim under section 75 - and I can see that NatWest took this action.

NatWest said it had no evidence that there was a breach of contract or that a misrepresentation was made by A. In the circumstances of this complaint, I agree that there is no evidence to indicate a breach of contract. Neither is there a suggestion that misrepresentation occurred, so I don't think NatWest acted unreasonably in failing to proceed with a claim under Section 75.

I appreciate the depth of Mr N's feeling about this matter. But based on the evidence provided, I can't say it's any more likely that there was a failure in A's booking system than it is that Mr N booked the wrong hotel himself. Mr N's primary concern is with a technology error and so he would be better directing any claim he might have towards A, rather than attempting to deal with it via his bank or through us. The mechanisms available to the bank to assist don't cover every scenario, and I can't fairly expect NatWest to do more than it already has. It appears Mr N didn't go on the holiday at all, which is a shame. Mr N could have avoided this by providing evidence that he tried to contact A within 24 hours (which is the window within which the change could be made for free) and avoided missing out on a holiday with his family entirely. But for the purposes of this complaint, having considered all of the information available, I find there is not enough evidence to say that NatWest has

treated Mr N unfairly.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 30 December 2024.

Vanisha Patel
Ombudsman