

Disputed card charges of a car rental company for supplementary insurances

Topic: **Cards** Case number: **2021/29**

The client had rented a car through an agency for a trip in a country in Central America and had prepaid the entire rental with all insurances and the extras. The rental car was taken back without reservations when it was returned. Nevertheless, a considerable amount was charged to the client's credit card for supplementary insurances allegedly taken out when he took over the car. The customer disputed this amount with the card issuer, who carried out a chargeback procedure. After this procedure was unsuccessful, the amount was charged again to the customer's credit card bill. The customer then turned to the ombudsman and maintained his claim for repayment. In the course of the ombudsman proceedings, the bank paid the money back to the customer.

Many travellers know the problem: You rent a car, return it after the trip thinking you have paid for everything, without any damage, and then suddenly find an inexplicable charge on your credit card bill from the rental company for some additional services of which you had no knowledge. Popular are charges for allegedly taken out supplementary insurances, which were not included when the rental car was booked.

In the case at hand, the client had booked the car with an agency and had received a so-called "all inclusive" voucher, which contained all the services he had requested for the car rental. He insisted that the credit card issuer cancel the charge of several hundred Swiss francs for additional liability insurance, which he claimed he had not taken out. The credit card issuer then initiated a chargeback procedure to reclaim the amount. In such a procedure, the merchant (i.e. the car rental company in this case) who accepted the card for payment can declare that the charge was justified and prove this with the evidence available to him.

In the course of the chargeback proceedings, the car rental company claimed that the customer had taken out additional liability insurance with higher benefits in terms of amount when he took delivery of the car, as the liability insurance included in the voucher only met the statutory minimum. He submitted two receipts for this. On the one hand, the receipt for the entire credit card charge, which did not bear the customer's signature, and on the other hand, a page of the car rental contract signed by the customer, in which the benefits and costs were summarised. The credit card issuer then charged the customer again for the provisionally cancelled amount.

The client then turned to the Ombudsman and argued that the supporting documents submitted by the car rental company did not justify the charge, as they clearly showed that he had not accepted the alleged additional insurances. In fact, it was obvious at first sight that the client's statement of facts was correct, as he had ticked the box "denied" under the heading for the disputed insurance. After being contacted by the Ombudsman, the bank immediately realised this, followed up in the chargeback procedure and paid the customer back the disputed amount.