

The complaint

Mr T complains about the way Tandem Bank Limited handled a chargeback he requested in relation to two transactions.

What happened

In February 2020, Mr T purchased two flights from an airline. The flights were cancelled by the airline and Mr T says that the airline provider wouldn't give him a refund. Because of this, he got in touch with Tandem to request a chargeback.

Mr T submitted forms to request a chargeback in April 2020 – he then got a letter from Tandem in June 2020 saying that it hadn't received the forms. Mr T called Tandem after he got this letter and they confirmed that they had in fact got the form and told him to ignore the letter.

In July 2020, Tandem wrote to Mr T asking for some more information in order to continue with the chargeback. It then wrote to him again later the same month requesting this same information after it hadn't received everything it needed following the previous letter. Mr T says he didn't provide the additional information because he had been told over the phone on at least two occasions to ignore these letters.

Because Tandem didn't receive the information it asked for, it didn't continue with the chargeback, and declined to refund the cost of the flights to Mr T.

Mr T complained about this. He says he was consistently told to ignore the letters Tandem had sent him requesting more information. Tandem responded to Mr T's complaint to say it could see that it had caused some delays in assessing the chargeback – this is from when it didn't process the form Mr T initially sent in April 2020. But after this, it had asked Mr T for more information in order to assess the chargeback request, but because Mr T didn't provide this, it says it fairly declined the chargeback on 11 August 2020. However, Tandem did offer to refund Mr T £48.21, the cost of the flights, as a gesture of goodwill.

Mr T wasn't happy with Tandem's response. In order to resolve things, and on top of the £48.21 Tandem has already offered, he would like an apology from a senior manager and compensation of at least £50.

Our investigator looked into things for Mr T, but he didn't uphold the complaint. He said that while Tandem had caused some delays initially, the reason for the declined chargeback was because Mr T didn't provide the information Tandem had asked him for. So he didn't think that Tandem had unfairly declined the chargeback – and he thought that the £48.21 Tandem had already offered Mr T was fair.

Mr T responded to say that he didn't agree. Mr T says Tandem sent him letters asking for further information, and on each occasion Mr T called to check what information it wanted. He says that on each call he was told to ignore the letter he got and to wait for the chargeback to be approved. He says he was told this 2-3 times.

Because Mr T didn't agree, the complaint has been passed to me to make a decision on the matter.

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've decided not to uphold Mr T's complaint.

A 'chargeback' is the process used to settle disputes between card issuers and merchants. It is the card scheme, that runs and sets the rules for the chargeback scheme.

Generally, before the card issuer, in this case Tandem, instigates a chargeback request, it would normally want to see that the cardholder, Mr T, had tried to resolve the matter with the merchant, the airline, first. This is usually a requirement of the card scheme rules – and I think this is a fair approach to take given that the cardholder and the merchant can often sort things out between them without the need to involve the bank.

Looking at what's happened in this case, I can see that Tandem requested proof from Mr T that he had tried to resolve things with the merchant. I can see that it asked for this in two separate letters on 6 July 2020 and 23 July 2020.

Mr T did contact Tandem by phone on 7 July 2020 after it sent the first letter. During the call, he provided some of the other information Tandem asked for, but not proof he had attempted to resolve things with the merchant. The representative could have been clearer on the call, in letting Mr T know that it would still need this before it would instigate the chargeback. But the representative did let Mr T know that they would contact him again if they needed anything more from him. I can see Tandem sent Mr T another letter asking for the information on 23 July 2020 – so I can't fairly say that Tandem didn't ask for the information – or that it wasn't clear in stating what it needed to continue with the chargeback request.

Mr T says he was told a few times by Tandem's representatives to ignore the letters that it had sent to him. So, this is the reason he didn't provide the information. I've listened to the calls to understand what happened. During one call Mr T had with Tandem on 11 June 2020, he was told to ignore a recent letter it sent. But this letter was about the initial form Mr T had sent to request the chargeback – and not the subsequent letters it sent requesting more information. I have listened to the calls after this date, and I can't hear that Mr T was told to ignore any further letters. So, I can't agree that Tandem has misled Mr T about what it needed.

Ultimately, the reason the charge back was declined was because Mr T didn't provide Tandem with evidence to show he had tried to resolve the matter with the airline first. I don't think it is unreasonable of Tandem to decline to proceed with the chargeback for this reason. Especially given that the email from the airline about the cancellation suggests that it would provide a refund for the cost of the flights if this was the option Mr T wanted. As it stands, I still haven't seen anything to show me that Mr T has provided this information, so it isn't clear if Mr T did attempt to resolve things with the airline or not.

I agree that Tandem could have provided a better customer service at times. For example, it did cause some delays at the start of the chargeback process when it didn't pass his form on to the correct team. And I've also noted that Tandem could have been clearer about what information it needed during a call.

All in all, it's clear there are some things Tandem could have done better, but I can't agree it did anything wrong when it declined to instigate the chargeback. Tandem has agreed to refund the costs of the flights as a gesture of goodwill anyway. And I think this is fair way to resolve this complaint and so I won't be asking Tandem to do anything more for Mr T.

My final decision

For the reasons set out above, I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 4 June 2021.

Sophie Wilkinson
Ombudsman