

The complaint

Mr O is unhappy with the delays caused by TSB Bank plc in raising his chargeback claim.

What happened

In December 2020, Mr O bought an item for £1,299 using his debit card. He returned the item to the store within 14 days of purchase but didn't receive a refund.

Mr O contacted TSB on 18 February 2021, to raise a chargeback as he still hadn't received a refund after chasing the store several times. He complained to TSB when they sent him numerous messages asking for information he'd already provided.

TSB accepted they could've attempted Mr O's chargeback sooner. They apologised for the delay and the inappropriate wording in their email. They offered Mr O £50 compensation for the distress and inconvenience caused.

Our investigator agreed that TSB caused a delay in raising a chargeback and Mr O was asked for evidence that wasn't relevant. She recommended that TSB increase the compensation amount to £100.

TSB accepted but Mr O disagreed. He asked for an ombudsman to review his complaint.

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.

A chargeback is a way for the card providers like TSB to claim money back from the retailer's bank in certain specific circumstances, for example, if the customer doesn't get the goods or services they paid for.

Chargebacks are subject to strict rules and timescales which are set by the card scheme. And there are no guarantees that the money can be recovered from the retailer's bank as the retailer could defend the chargeback.

Customers aren't legally entitled to a chargeback. This means TSB doesn't have to raise a chargeback simply because Mr O requested it. But I'd expect them to fairly assess a claim and attempt a chargeback where there appears to be a reasonable prospect of success.

I don't think it was unreasonable for TSB to initially ask Mr O on 19 February 2021, to provide further information about the transaction, such as proof of return and reason for returning the item. I think this information was required in order for TSB to fairly assess the claim and decide if a chargeback should be attempted.

Mr O gave TSB all the information they needed on 3 March 2021. Based on the information he provided, I think it was reasonable that TSB attempted the chargeback as there was a fair chance that the chargeback may succeed.

TSB didn't raise the chargeback claim until 8 March 2021. This delay of five days was avoidable as admitted by TSB themselves. It was caused by TSB repeatedly asking Mr O for the same information he'd already provided.

I agree TSB provided poor customer service to Mr O. The messages they sent were templated and irrelevant to Mr O's claim. I can understand why the messages wouldn't have made sense to Mr O. I also think one message was inappropriately worded as Mr O had already explained the circumstances around the return – TSB have accepted this.

TSB didn't make Mr O feel listened to and this clearly caused Mr O unnecessary stress, frustration and annoyance. He was also caused some inconvenience in having to respond to TSB multiple times to explain that he'd already provided the information being asked.

I don't doubt it was a challenging time for Mr O and I'm sorry to hear he struggled to pay his rent. But TSB aren't responsible for his dispute with the retailer. It's important to distinguish between the impact caused by the retailer in failing to provide a refund and the impact caused by the delays in TSB raising a chargeback.

In deciding a fair way to resolve this complaint, I can only take into account the delay caused by TSB in raising the chargeback. This means I can't hold TSB responsible for the distress and inconvenience caused to him by the retailer not providing a refund for several months.

I don't think the delay of five days was significant here, particularly since Mr O received a refund within 45 days of raising the chargeback – which is usually the timescale the retailer has to defend a chargeback.

TSB have apologised and agreed to pay £100 compensation in total. All things considered, I think this is fair and reasonable to reflect the distress and inconvenience Mr O experienced as a result of TSB's mistakes.

I know Mr O feels strongly about his complaint, but I don't agree the impact of the errors TSB made were significant enough to warrant further compensation. So, I won't be asking TSB to pay any more compensation.

My final decision

For the reasons explained above, my final decision is that TSB Bank plc should pay Mr O £100 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 January 2022.

Ash Weedon
Ombudsman