

The complaint

Miss S complains that TSB Bank plc failed to process a chargeback as she'd requested. She also complains that the bank wrote to her via email rather than letter as she'd asked.

What happened

In February 2021, Miss S purchased some items online from a clothes shop. She returned them all but only received a refund for some of them. On 1 May 2021, Miss S asked TSB to raise a chargeback for the transaction showing on her statement as £70 and provided several pieces of evidence of the transaction. She asked TSB to contact her by post only.

On 7 May 2021, TSB sent an email to Miss S for further evidence to enable it to proceed with the chargeback. On 24 May 2021, Miss S wrote to TSB explaining that she'd sent all the evidence requested with her letter of 1 May. She complained that the bank had emailed rather than writing to her.

TSB looked into Miss S's complaint. It explained that it didn't receive all the information necessary for it to raise a chargeback. It said too that Miss S had claimed refunds totalling £79 but the transaction had been for £70. TSB said it had been right to ask for the information it did prior to raising the dispute as a chargeback. But it acknowledged that it should have posted its request for information to her rather than emailing it. In recognition of this, it credited her account with £30.

Miss S didn't accept what TSB said and referred her complaint to our service. One of our investigators looked into it. He said Miss S had provided a lot of information when she first requested the chargeback. But he noted some of it was contradictory and didn't cover everything TSB needed. So he felt it was reasonable for TSB to ask further questions. He noted the 120-day time limit for the chargeback to be processed has now expired.

But our investigator agreed with both parties that TSB shouldn't have requested the information it needed by email. He said it was likely that by doing so, TSB delayed matters unnecessarily. He felt Miss S will have been looking out for a letter from TSB but may not have checked her emails causing delays in her seeing the request. He said TSB should pay Miss S a further £100 (in addition to the £30 already paid) in final settlement of the complaint.

TSB accepted what our investigator said, but Miss S didn't. She requested the £100 plus the £30 already paid and a refund of the chargeback amount of £70 – a total of £200. As there was no agreement, Miss S's complaint has been passed to me for a decision.

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.

Mrs S's account was debited with £70 by the merchant she made the purchase from. As set out above, she requested TSB to make a chargeback against the merchant on 1 May 2021.

She said she was aware of the 120-day time limit under the chargeback scheme rules. TSB requested further information (albeit by an incorrect medium) on 7 May 2021.

We know that Miss S had seen that request for information by 24 May 2021 as she replied to it. At that stage, there was still a week or so left of the 120-day chargeback time limit in which a claim could be made. I note, as our investigator did, that Miss S had provided some of the information TSB requested. But I've not seen evidence which shows she'd provided everything, and there did seem to be confusion around the amount claimed. So, I think it was reasonable for TSB to ask for more information before processing the chargeback. It can only make a chargeback once, so it had to be confident it had all the evidence it needed before doing so.

While I note Miss S had asked TSB to contact her by letter only, she did receive its request for more information in time to allow her to provide it and for the chargeback to be made. Instead, she raised a complaint about the email she'd received. Had she provided the further evidence requested then there's every chance TSB would have been able to raise a chargeback within the necessary time limit.

I don't think it'd be reasonable to ask TSB to refund the transaction itself because Miss S could have helped the situation by providing the information it requested – even if this duplicated what she'd already provided. I agree with our investigator that Miss S will have been looking out for a letter from TSB, so had her request been followed, the information request may have come to her attention sooner, giving her more time to respond.

It seems to me that both parties to the dispute could have done more to increase the chances of a successful chargeback within the 120 days the scheme demands. But I recognise that TSB - the finance professional in the relationship - made a mistake which contributed to the problem.

Putting things right

I've thought carefully about how to resolve this complaint. I think TSB should pay Miss S £100 for the distress and inconvenience caused in addition to the £30 it has already paid - £130 in total. To be clear, I don't think TSB needs to pay the chargeback amount.

My final decision

I uphold Miss S's complaint. TSB Bank plc should pay her a further £100 as set out above. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 15 November 2022.

Richard Hale
Ombudsman