

The complaint

Mr B complains about Metro Bank PLC for its handling of his dispute. He wants a full refund of the disputed item.

What happened

Mr B complains via his representative.

Mr B is a young person who, in February 2021, was studying at home during the national lockdown.

To facilitate his study, he ordered a desk through an online marketplace. He paid £64.90 for it.

When the desk arrived, it was not to the dimensions described and was in used condition.

He wanted to return the desk and to be refunded.

He contacted the online marketplace who relayed his request to the seller. The seller refunded half of the purchase price and gave options for Mr B to return the desk in order to get a full refund. These were to take the desk to a courier collection point, or to arrange a return and be reimbursed for those costs by the seller later.

Mr B did not want to do either of these, as the desk was large and cumbersome, so taking it to a return point would have been difficult, and he was not willing to pay for a return to then seek reimbursement.

Mr B contacted Metro to issue a dispute. He explained what had happened and that he wanted a full refund of the disputed transaction. During an early call, Metro's agent explained to him that the dispute scheme was operated by the card issuer (Mastercard) and the rules for a dispute were set by Mastercard. The agent began to explain what information would need to be submitted in order to make a claim.

Mr B was unhappy about the information being asked of him and wanted to see in writing what was being asked for. He asked for details of the scheme rules and terms and conditions which explained the process.

The agent spoke with a manager who advised that Mr B should make a complaint and that the answer to questions about the governing rules and applicable terms would be managed through that complaint. The agent lodged a complaint for Mr B.

Metro then wrote to Mr B in early April 2021 declining the dispute, but indicating that if additional information were provided, this may be reviewed.

Metro sent a chasing letter around 2 weeks later.

Mr B sent supporting information to Metro in early June 2021.

In late June 2021, Metro decided not to proceed with a dispute. In its letter to Mr B, Metro said that this was due to the terms and conditions of the sale.

Metro sent Mr B its final response letter in September 2021. It rejected Mr B's complaint and explained that it did so because the item had not been returned to the merchant, despite the merchant offering an alternative resolution. Metro also pointed to the fact that the returns policy had not been provided. Metro did not think that there was evidence that Metro had acted incorrectly.

Mr B was not happy with this and contacted us.

Our investigator did not uphold the complaint. He considered that the merchant had offered reasonable options and that Metro did not have to take a chargeback further because of this.

Mr B did not accept this view and asked for an ombudsman decision.

I have subsequently set out a preliminary view to the business, and a provisional decision which was issued in January 2022.

In those, I explained that I did not think the decision not to pursue a chargeback was unfair, but I thought that Metro Bank had communicated poorly with Mr B. This included in not making clear to him the process and applicable time limits for a chargeback, and not explaining at the time why the chargeback was not being pursued. I felt that Mr B and his representative had requested specific information and an explanation of how this applied. They had not received this. I therefore thought that Metro ought to pay to Mr B the balance of his claim for the desk (£34.90) and £100 compensation for distress and inconvenience.

That view has been shared with the parties and they have been invited to comment.

Metro responded to my preliminary view, disagreeing. It referred to the merchant having offered reasonable options to return the desk and that these would not have left Mr B out of pocket.

Metro has not responded to my provisional decision.

Mr B has responded, accepting the decision. He asks that Metro also be required to pay for a council collection fee so that he can dispose of the desk, or that Metro arrange a collection to return it to the merchant.

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.

I have considered the comments received, and I remain of the view set out in my provisional decision. I appreciate that Metro thinks that the options given by the merchant were reasonable and that Mr B could have used them for a full refund.

I acknowledge that Metro is entitled to make judgements on when it makes a chargeback claim, but I think that it needs to communicate clearly with consumers about this. In this instance, Mr B has valid reasons for not thinking that the options given by the merchant were reasonable, but these were not sought by Metro at a time when it could change its view.

Overall, I think that Metro was not clear in its communication with Mr B and this may have

led to the chargeback not proceeding, either due to time limits or Mr B's views not being sought.

I therefore uphold Mr B's complaint and direct Metro Bank PLC to put matters right.

Putting things right

In my view, Metro Bank PLC should pay to Mr B to balance of the desk cost, which was not refunded by the merchant (£34.90), and also pay to Mr B £100 compensation for his distress and inconvenience.

I do not agree that Metro ought to pay for the removal of the desk as this was never Metro Bank's responsibility.

Mr B may wish to check with the merchant if it wants the desk back, and if so, the merchant can arrange collection. Alternatively, if the merchant does not want the desk back Mr B will be able to dispose of the desk as he wishes, for example by charity donation.

My final decision

For the reasons given above, and in my provisional decision, I uphold Mr B's complaint and direct Metro Bank PLC to:

- Reimburse to Mr B £34.90; and
- Pay to Mr B £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 March 2022.

Laura Garvin-Smith
Ombudsman