

The complaint

Mr H complains that NewDay Ltd failed to pursue a chargeback claim for returned goods.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

I believe it is not disputed that Mr H returned goods to the company from which he purchased them, which I will call A. He has evidence that A received the goods back and agreed to refund the money he had paid on his credit card. However despite A saying it would make the refund it failed to do so.

He contacted NewDay and it responded on 17 July 2021 asking him to complete a disputes document. This he did and I see that it dated 23 July 2021. Attached to that were full details of the transactions and screenshots of replies from A. These show that A had received the returned item and Mr H also supplied photos of the item being returned.

As our investigator has explained the reference numbers match and I consider it is clear that the item was returned and A had agreed to make a refund. It is not clear why this didn't happen, but I note NewDay had concerns that A's offer of a refund wasn't for the goods Mr H had claimed. I can appreciate that as A has claimed he had placed 26 orders over an unspecified time this may have caused some confusion.

However, A did not address the evidence given by Mr H to NewDay which shows the goods had been returned. If these records had been for another item I would have expected A to explain in more detail and let NewDay know what the agreed refund was for if not for the item Mr H was chasing. I would also have expected NewDay to challenge A's rejection of the chargeback. Our investigator has satisfied himself that the reference numbers match and I agree.

A said it had tracking evidence of the parcel being delivered, but Mr H had evidence of the parcel being returned and this I think this was enough to push back against A.

Finally, for completeness I can confirm I agree that section 75 Consumer Credit Act 1974 does not apply in this case as the required debtor-creditor-supplier chain is broken.

Putting things right

The cost of the goods should be refunded.

My final decision

My final decision is that I uphold this complaint and I direct NewDay Ltd to refund the cost of the returned item and pay interest at 8% simple plus compensation of £100 in addition to the £15 it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 September 2022.

Ivor Graham
Ombudsman