

## **The complaint**

Mr A complains that Ziglu Limited ("Ziglu") is holding him liable for a £350 ATM cash withdrawal which he says the ATM did not dispense. He also complains that Ziglu did not inform him that the £350 it credited to his account was a temporary refund which could be reversed – something which Ziglu later did.

## **What happened**

The circumstances of this complaint are well known to both parties, so I will not repeat them all again here in detail. But I will provide an overview of events below.

Mr A has told our Service, amongst other things:

*'I went to the atm to withdraw money [on 9 April 2021], I've put my card in, requested payment and receipt, it said no receipt, entered amount I wanted it's started making noise and jammed on me, I waited for a while and nothing dispensed, had to click cancel on machine to get my card out, and received notification on phone £350 has been withdrawa (sic) when received nothing.'*

Mr A contacted Ziglu about the above and it credited £350 to his account. Ziglu later reversed this refund which resulted in Mr A's account going into a negative balance. Consequently, Mr A raised a complaint which he also referred to our Service.

Mr A's position, broadly, is that the ATM did not dispense the £350; and that Ziglu did not inform him that the credit to his account was a temporary refund which could be reversed. By way of recompense, Mr A would like Ziglu to refund him the £350 and offer compensation.

Ziglu says it credited £350 to Mr A's account as a temporary refund and raised a chargeback claim. However, this was defended as the ATM provider was able to provide evidence showing that the £350 had been dispensed successfully. So, Ziglu debited this amount from Mr A's account. Because this money had already been withdrawn, Mr A's account went into a negative balance. Ziglu also says that it did not inform Mr A that the £350 would be recalled if the chargeback claim was unsuccessful.

One of our investigators considered Mr A's complaint and upheld it in part. In short, she thought the evidence showed that the £350 was dispensed and so it was not unreasonable for Ziglu to hold Mr A liable for the money. However, she held that Ziglu provided Mr A poor customer service by not informing him that the credit was temporary. For this reason, she asked Ziglu to pay Mr A £50 compensation.

Ziglu accepted the investigator's findings and says that it has credited £50 to Mr A's account. However, Mr A did not accept the findings.

## **What I have 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 reasons I set out below.

But first, I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

### ATM

Based on the evidence before me – particularly the evidence from the ATM provider – I am persuaded, on balance, that it is more likely than not that the ATM dispensed the £350 on 9 April 2021. Therefore, I am satisfied that it was fair and reasonable for Ziglu to hold Mr A liable for the £350.

### Temporary credit

I accept that Ziglu failed to inform Mr A that the £350 credit to his account was a temporary refund and would be reversed if the chargeback it raised was unsuccessful. However, to my mind, this is a customer service-related issue. And does not negate the fact that the ATM dispensed the £350 for the reasons I have already given above.

Ultimately, in these types of cases, I would expect a business to issue a temporary refund to their customer in the first instance. Thereafter, if a chargeback claim is raised and is unsuccessful and/or satisfactory evidence is provided showing the ATM dispensed the cash: I would expect the business to reverse the refund. These are all things Ziglu did in Mr A's case. Its failure to inform Mr A that the refund was temporary – was simply poor service. The fact remains that on balance, the evidence shows the ATM dispensed the £350 successfully – if this was not received by Mr A for whatever reason: Ziglu cannot be held responsible for this.

Taking all the above points together, I am satisfied that the £50 our investigator recommended for the customer service Ziglu provided Mr A – fairly reflects any trouble and upset he was caused.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint in part. I therefore direct that Ziglu Limited:

- Pay Mr A £50 if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 August 2022.

Tony Massiah  
**Ombudsman**