

The complaint

Miss B complains that Nationwide Building Society ('Nationwide') did not do enough to help her get a refund in respect of a trip she paid for with her debit card which did not go ahead.

Miss B is assisted in her complaint by her representative. To keep things simple, I've referred to Miss B throughout this decision.

What happened

Miss B booked a trip abroad in January 2020 with a supplier I'll call S. She paid £738 using her Nationwide debit card. The trip was due to take place on 24 May 2020.

On 4 May 2020 S wrote to Miss B and told her the trip could not go ahead because of the Covid-19 pandemic. It said it would look into transferring the booking to the following year or provide a credit note.

On 22 May 2020 S wrote to Miss B again, this time to tell her it had entered administration.

Miss B said she visited a Nationwide branch for help with a refund in June 2020 but was told she'd have to log a dispute online. She did this in early June 2020.

In early July 2020 Miss B told Nationwide she had become hard of sight and would require it to adapt the way it communicated with her. Nationwide recorded that communication should be sent in 'large print'.

On 29 July 2020 Nationwide asked Miss B for more information about her dispute via text message. It said it required evidence of the cost and duration of the holiday.

On 12 August 2020 Nationwide sent another text message to Miss B. This time it asked for evidence of when the service was due to be received, evidence Miss B had tried to resolve her dispute with S and a detailed description of what she'd bought.

On 2 September 2020 Nationwide said it closed Miss B's dispute because Miss B hadn't responded to its requests for information.

Miss B said she rang Nationwide in mid-September to ask what was happening with her dispute and was told about the evidence she needed to provide.

In October 2020 Miss B sent the requested evidence to Nationwide. But it said it was too late to raise a chargeback under the card scheme rules and so it declined to pay a refund to her.

When Miss B complained to Nationwide it said it hadn't done anything wrong as it had asked Miss B to send additional evidence but she had provided it too late.

Our investigator thought Miss B's complaint should be upheld. He said a case handler at Nationwide had confirmed it did in fact receive the evidence it asked for in time to raise a chargeback so it should have done so. And he said even if Nationwide didn't have this information, it hadn't treated Miss B fairly because it asked for it by text message when Miss

B had told it she needed information in a large font. He thought if Miss B had received the request in a more suitable format she'd have provided the information within the time required and a chargeback would likely have succeeded.

Nationwide disagreed with the investigator and asked an ombudsman to review the complaint. It said its case handler had incorrectly advised the investigator that it had the evidence it said it needed in September 2020. It provided evidence it said supported this. It also said that a text message was an appropriate form of communication as Miss B had opted to receive email and SMS communication when it emailed her dispute in June 2020. And it said Miss B could have changed the font size settings on her phone so she could read the messages.

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 am looking here at the actions of Nationwide and whether it has acted fairly and reasonably in the way it handled Miss B's request for help in getting her money back. This will take into account the circumstances of the failed trip and how the supplier has acted, but there are also other considerations, such as the scheme rules a bank has to follow and its own obligations.

In certain circumstances the chargeback process provides a way for a bank to ask for a payment Miss B made to be refunded. Where applicable, the bank raises a dispute with the supplier and effectively asks for the payment to be returned to the customer. It is good practice for a bank to attempt a chargeback where the right exists and there is some prospect of success.

In this case Nationwide did not raise a chargeback for Miss B when she sent in her dispute in June 2020 because it said it needed more information from her. And by the time it received this information it said it was too late under the card scheme rules to raise one.

I agree with the investigator that Nationwide didn't do enough to help Miss B when it asked her for this information by text message. Although it appears she'd confirmed via the dispute form she was happy to receive both text message and email, she told Nationwide after this that she required communication to be sent in 'large print'.

Nationwide said Miss B could've changed the settings on her phone so she could read the messages. But I think that's putting the burden on Miss B when she had clearly asked Nationwide to adapt the way it communicated with her. I don't think Miss B would reasonably have been expecting to receive text messages from Nationwide given she'd asked to receive communication in 'large print'. She's said she didn't use her phone much following her diagnosis. So, I can understand how she might have missed the messages Nationwide sent her.

By sending its requests via text message only, Nationwide ran the risk Miss B might miss it and lose her opportunity to raise a chargeback. Also, having been aware Miss B had asked for communication in large print and having received no response to its first request via text message, Nationwide might reasonably have sent its second request via a more suitable communication form where it could have sent it in the format requested by Miss B.

Further to this I note there were additional information requirements in the card scheme rules which hadn't been brought to Miss B's attention. Her dispute concerned a supplier that had gone into administration before fully cancelling her trip. The scheme rules set out that when

this happens the issuer must first attempt to obtain reimbursement from the relevant bonding authority if the services are covered by one.

Miss B has said she did try to obtain reimbursement from the relevant bonding authority when she was made aware S had gone into administration but was referred back to her bank. This is consistent with other cases we've seen involving S in similar situations and information that was publicly available so I've little reason to doubt what Miss B said. Therefore, if Miss B had been required to provide evidence of her attempts to resolve matters with the bonding authority, I find on balance she would have been able to do so.

Looking at the evidence Miss B did eventually provide in October 2020 it was clear she'd paid for a service she wasn't going to receive and wasn't going to get a refund given the insolvency of S. So, it seems most likely her chargeback would ultimately have succeeded under the 'services not received' dispute rule if she'd received better help from Nationwide and raised it in time.

I find therefore that Nationwide treated Miss B unfairly in its handling of her request for a refund. And this cost Miss B the opportunity to recover her money via a chargeback that would most likely have succeeded. It is too late now for Nationwide to raise a chargeback. So, it should treat Miss B as if the chargeback had been successful and pay her the sum she lost out on of £738 plus interest.

My final decision

My final decision is that I uphold Miss B's complaint. To put things right Nationwide Building Society must pay Miss B £738 plus 8% simple interest per year on that amount from the date it closed her claim on 2 September 2020 until the date of settlement*.

*If Nationwide Building Society considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss B how much it's taken off. It should also give Miss B a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 6 January 2023.

Michael Ball
Ombudsman