

The complaint

Mr E complains about the way NewDay Ltd trading as Aqua handled his chargeback claim.

What happened

Mr E purchased a car and paid a deposit of £1000 using his Aqua credit card.

Mr E discovered a fault with one of the alloy wheels. He says the merchant agreed to refurbish the wheel but when Mr E tried to get the car booked in, the merchant didn't respond to his calls.

Mr E raised a chargeback with Aqua. Aqua declined the chargeback. It said the merchant had provided evidence that the repairs had been completed.

Mr E remained unhappy and complained to this service. He said the repairs hadn't been completed and that if Aqua had contacted him during the investigation than he would've provided proof that the repairs hadn't been completed.

Our investigator didn't uphold the complaint. He said that Aqua was correct to decline the chargeback because there was insufficient evidence to support a chargeback in line with the chargeback rules.

Mr E disagreed. He said that Aqua hadn't requested any further evidence from him and that he could prove the damage hadn't been repaired.

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.

When dealing with chargebacks, banks and providers of credit need to do so within the remit of the rules set by the relevant card scheme.

Chargebacks are a voluntary scheme. How it works is that the card issuer checks the complaint against the possible chargeback reasons to see what sort of evidence is required and under what timescales. This is so it can decide whether or not it can make a successful claim for the customer. Card issuers don't have to submit claims, and they will only do so if they believe they have evidence that will support a chargeback claim so that it will be successful. This service expects card issuers to help if they can, but we don't expect them to raise a chargeback if there is little prospect of success.

I've looked at Mr E's request to raise the chargeback to see whether or not Aqua acted reasonably when it declined the chargeback.

Mr E said that despite agreeing to carry out repairs, the merchant failed to do so.

In September 2022 Aqua requested further evidence from Mr E. In the email, Aqua asked Mr E to provide evidence to support the claim such as correspondence with the merchant,

receipts or invoices, terms and conditions and /or a report from an independent expert.

Aqua didn't hear back from Mr E with any evidence. The merchant subsequently disputed the chargeback. Aqua declined the claim based on a lack of evidence.

Mr E has said that Aqua didn't request evidence from him. But he acknowledged receiving the email I've referred to above on the day he made the chargeback claim. I'm satisfied that Aqua asked Mr E to provide evidence to support the claim, but none was provided.

In the circumstances, I don't think Aqua treated Mr E unfairly here. It has acted in line with the chargeback rules.

I appreciate that Mr E has evidence that he wants to rely on in the form of a time stamped photo. However, the relevant time period for making a chargeback claim has now passed, so it's no longer possible to raise a chargeback.

Aqua may be able to consider Mr E's claim under section 75 if Mr E contacts them and requests this.

Taking everything into consideration, and for the reasons I've explained, I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 20 September 2023.

Emma Davy
Ombudsman