

## **The complaint**

Mr S has complained about the way Curve UK Limited dealt with a claim for money back in relation to a purchase he'd made using his debit card.

## **What happened**

The circumstances of the complaint are well known to the parties, so I won't go over everything again in detail. But to summarise, Mr S said he used his Curve debit card in June 2020 to pay \$750USD (around £600) for a tour guide fee. He says that because of Covid-19 it wasn't possible to take the tour on the planned dates. He said it was deferred until 2023. He contacted the tour guide and asked to book a tour, but it was no longer available, and Mr S wasn't offered a refund. Mr S contacted Curve in April 2023 to request the money back.

Curve ultimately said it couldn't help because the transaction took place over 730 days before and that a chargeback couldn't be raised that long after a transaction was made. Mr S complained and said the 730-day limitation doesn't concern him because it's a system limitation between Curve and the card scheme. He said he doesn't recall being told about the 730-day time limit. He also said he thought he was protected because of Curve's own protection policy and chargeback policy. He said he would have expected Curve to reimburse him whether or not it could claim back through the card scheme because his contract is with Curve. Curve didn't offer the refund, but it offered Mr S £10 in relation to a delay in replying to him. Mr S referred his complaint to the Financial Ombudsman.

Our investigator looked into things but didn't uphold the complaint. He said he thought Curve was correct in concluding the chargeback had been brought out of time, and that it couldn't assist under its own protection policy.

Mr S didn't agree. He said he thought it was unfair Curve advertised a protection policy but failed to protect him because of unadvertised private deadlines. He said he couldn't raise his claim earlier. He said he's left in an unfair position where he thought his payment was protected but he's out of pocket. He thought Curve could have contacted the card scheme by an alternative channel to obtain the refund through a different process.

As things weren't resolved, the complaint has been passed to me to decide.

## **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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr S and Curve that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I also want to say I'm very sorry to hear that Mr S wasn't provided the service. I appreciate it cost a significant sum.

What I need to consider is whether Curve – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr S's request for getting money back. It's important to note Curve isn't the supplier. I've gone on to think about the specific card protections that are available. In situations like this, Curve can consider raising a chargeback.

The chargeback process provides a way for a card issuer to ask for a payment to be refunded in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme. It's not a guaranteed way of getting money back.

While it's good practice for a card issuer to attempt to chargeback where certain conditions are met and there's some prospect of success, there are grounds or dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. And something going wrong with a merchant won't always lead to a successful claim. Curve said it was unable to submit the chargeback because it was out of time. I agree and will explain why.

Curve said it wasn't able to raise a chargeback on the card scheme system for a transaction over 730 days old. It's shown us the system used to log the dispute would not accept a date older than 730 days. I've also looked at the relevant rules from the card scheme. In order for Curve to raise a chargeback for Mr S for services not provided it would have had to do so within the strict timescales laid down by the card scheme. This is 120 days from the last day of expected service and/or no longer than 540 days from the date of the transaction in dispute. It's not in dispute Mr S raised his claim out of time taking these rules into account, so I don't think Curve acted unfairly by not pursuing the chargeback.

I appreciate Mr S says he wasn't aware of the timescales, but I don't think Curve was responsible for setting out in depth details of the chargeback process and the various timescales that apply. The rules for chargeback are complex and are set by the card scheme – not Curve. The card scheme changes the dispute conditions from time to time. The chargeback process is also not a consumer right, or something that's part of the law. I'd not expect Curve to go through all the nuances and various dispute conditions that apply to chargebacks with its customers before offering them a debit card. It would not be practicable, and nor is it something that's required when offering a debit card. Moreover, there wasn't a requirement for Curve to contact the card scheme outside of the chargeback process to try to resolve things for Mr S.

I've also looked at Curve's own protection policy. Mr S has said he was reassured that his purchase was covered by the policy. But in order for me to direct Curve to reimburse Mr S, I'd need to see there was a valid claim. Curve says it can deal with claims for services not received. It accepted Mr S's claim and looked into things for him, in line with the policy. But it didn't refund him because the claim wasn't eligible to be raised through the card scheme chargeback process. This is in line with the policy. I've not seen enough to say that Curve hasn't followed its own policy or treated Mr S unfairly.

While I sympathise with the situation, as I explained above, something going wrong with a merchant won't always lead to a successful chargeback claim. I've not got the grounds to direct Curve to reimburse Mr S. It wouldn't be fair for Curve to accept the loss when there's no grounds for it to do so.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 March 2024.

Simon Wingfield  
**Ombudsman**