

## **The complaint**

Miss A complains about how TSB Bank plc (“TSB”) handled a chargeback.

## **What happened**

In January 2023, Miss A ordered an item from a third-party seller and paid £353 for this from her TSB bank account. Upon receiving the item, Miss A decided she wanted to return this. The seller of the item confirmed receipt of a package from Miss A but didn’t refund her.

Miss A asked TSB to help her recover the money she’d paid. TSB raised a chargeback for her, and temporarily re-credited her account with £353 but the merchant defended the claim. They said they hadn’t received the item that they’d sent to Miss A and the item in the package she’d sent to them was different.

TSB says they e-mailed Miss A on 18 April 2023 to let her know the merchant had defended the claim and to ask her whether she had any further evidence to submit. Miss A says she didn’t receive the e-mail.

Miss A spoke to someone at TSB on 19 April 2023 and says she was told that there were no further notes since they’d attempted the chargeback and that the matter must have been concluded. Miss A took that to mean that she would be refunded for the item. However, TSB re-debited the £353 from Miss A’s account in May 2023.

Miss A complained to TSB about what had happened. She said she’d been told incorrect information by TSB about the chargeback and hadn’t received the e-mail where TSB had asked for further evidence. Miss A said that, had TSB told her on 19 April 2023 that the merchant had defended the chargeback, she would have provided further evidence to them.

TSB agreed that Miss A was given incorrect information about the chargeback when she spoke to them and offered £30 in respect of this. But they didn’t feel they’d handled the chargeback incorrectly.

Miss A referred the matter to us. Our investigator didn’t recommend the complaint should be upheld. She felt that TSB hadn’t made any errors in how they dealt with the chargeback and felt that their offer of £30 was fair in respect of the incorrect information she’d been given on 19 April 2023.

Miss A didn’t agree with the investigator’s view and so her 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.

It’s clear that Miss A feels she is entitled to receive a refund for the item. I note that she’s said the Consumer Rights Act 2015 gives her rights against the seller about this.

I agree that the Consumer Rights Act 2015 gives a consumer rights against a seller. However, TSB isn't obliged to help Miss A enforce her rights under this Act in the same way a court might. The only way TSB could have helped Miss A is through the chargeback process and it's important to note that what the Consumer Right Act 2015 requires and what is required under the chargeback process are two different and separate things. So, I will be looking at whether TSB did anything wrong in the way they handled the chargeback.

### *what is a chargeback?*

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. What this means here is that TSB can in some circumstances ask for a transaction to be reversed if there's a problem with the goods or services supplied by the merchant that the consumer paid for.

But the chargeback process doesn't give the consumer legal rights and it isn't guaranteed to result in a refund. It all depends on what the merchant says in response to the request the bank submits. There first must be a right to apply for a chargeback under the card scheme rules. And I'd consider it to be good practice for TSB to raise a chargeback if it has a good chance of being successful.

It's important to note that chargebacks are decided based on the card scheme's rules, not the relative merits of a cardholder/merchant dispute. So, it's not for TSB – or me – to decide whether Miss A should be allowed to get her money back for the item. TSB should raise the appropriate chargeback and consider whether any filed defence complies with the relevant chargeback rules. From what I've seen, that's what TSB likely did in respect of the claim for £353. I'll explain why.

TSB raised a chargeback for Miss A and the merchant defended the claim. And the merchant's defence was enough to mean the chargeback for that particular claim didn't succeed. Where the merchant challenges a chargeback, a bank doesn't have to carry out a detailed investigation into what actually happened to decide which party deserves the money. In fact, most banks won't take a chargeback any further if it's defended. In this case, TSB decided not to take the dispute any further because Miss A hadn't sent any further evidence to them after they'd asked to provide this. I realise that Miss A says she didn't receive the e-mail. But I've seen a copy of the e-mail and it was sent to the e-mail address TSB had on file for her.

Unfortunately for Miss A, there are time limits set by VISA that TSB has to abide by, and Miss A's rebuttal to the merchant's defence came too late for them to consider taking the matter further. I can't say that TSB made any mistake or acted incorrectly by making that decision. The rules are set in place by VISA, not TSB. And it wasn't the case that the merchant's defence was noticeably poor or lacking in credibility. They produced evidence that, in their view, showed that the package weight that Miss A returned was half the weight of the package they had sent to her with the item. And while Miss A feels that the seller gave conflicting information to TSB, in that they said the item wasn't present in the returned package, the seller intended to mean that the item they'd delivered to her wasn't present, rather than meaning the package was empty.

I agree that TSB could have told Miss A that the merchant had defended the chargeback when she spoke with them on 19 April 2023, as TSB had sent her an e-mail the day before saying exactly that. However, TSB was entitled to think that Miss A had received the e-mail and had given her time to produce any further evidence to support her claim.

TSB has offered Miss A £30 for the way in which their adviser handled the call with her. I will leave it for Miss A to decide whether she wishes to accept this. If she does, she should contact TSB about this.

So, with all this in mind, I'm satisfied that TSB dealt with Miss A's chargeback reasonably overall.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 29 March 2024.

Daniel Picken  
**Ombudsman**