

## **The complaint**

Mr K complains that Citibank UK Limited declined to raise a chargeback dispute.

## **What happened**

In March 2021, Mr K paid a third party to make some sample leather goods for the purposes of his business. He paid \$ 3231:22 with his Citibank UK debit card. However, when the samples arrived in December 2021, Mr K was dissatisfied with the samples. He emailed the third party in January 2022 to tell them. Further samples which were sent later that year were not up to scratch either. Relations between Mr K and the third party broke down.

In August or September 2023 (accounts differ), Mr K asked his bank to refund his payment. The bank told him that he had left it too late, since under the chargeback rules he had needed to ask within 120 days of the transaction.

Being dissatisfied with that response, Mr K brought this complaint to our service, but our investigator did not uphold it. He agreed that Mr K had left it too late. Mr K asked for an ombudsman to review his complaint.

## **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.

Having done so, I do not uphold it, for the same reason as my colleague. I will explain why.

My remit is not to investigate the dispute between Mr K and the third party; it is only to decide whether Citibank UK did anything wrong when Mr K asked it to refund his purchase. The only remedy the bank had was chargeback, which is a scheme run by Mastercard. When raising a chargeback claim, Citibank has to follow Mastercard's chargeback rules strictly; it has no discretion to depart from them.

The usual time limit for opening a chargeback dispute about goods which are defective or are not as described is 120 days from the delivery date of the goods. It's not clear precisely on what date in December 2021 Mr K received his defective samples, but if I assume the latest date, the 31st, then the deadline was 30 April 2022. It is not in dispute that Mr K did not raise the matter by that date.

That date cannot be pushed back by the subsequent delivery of further defective goods. So I am satisfied that Mr K did not raise the matter with his bank in time. It follows that I am unable to criticise the bank for declining to open a chargeback claim.

That does not mean that the third party has done nothing wrong, only that Mr K's remedy does not lie with the bank. He will need to pursue the matter directly with the third party through the courts, if he can.

**My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 June 2024.

Richard Wood  
**Ombudsman**