

The complaint

Mr D complains about how Curve UK Limited handled a dispute he raised.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr D is unhappy with how Curve handled his chargeback dispute in respect of a furniture order which didn't arrive. In summary, he says:

- It has failed to refund him promptly or give him a temporary credit in the interim to mitigate the issue of him being without the funds;
- it was not clear or consistent with him throughout the chargeback process and was generally ineffective in resolving the matter;
- it didn't warn him that using its service would mean he wasn't covered via Section 75 of the Consumer Credit Act 1974 ('Section 75'); and
- even after it told him he had won the dispute it didn't refund him in the timescales it promised initially and wasn't clear about what information was needed to release the funds.

Our investigator agreed that Curve could have done things better. To put things right she recommended that it pay him out of pocket interest on the refund from the date it should have refunded him. And awarded an additional £80 compensation for its overall customer service failings (which was in addition to what Curve had already paid Mr D in compensation).

Neither party agreed with the investigator so the matter was passed to me for a final decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I am sorry to hear about the issues with the order of furniture. However, it is worth noting that Curve is not the supplier of the goods. So when looking at what is fair I consider its role as a provider of financial services – and what it reasonably could have done to help Mr D with the information that was reasonably available to it at the time. As Mr D used Curve's debit card product to pay for the service I consider chargeback to be particularly relevant here.

It is worth noting that some things I am covering here happened after Curve issued its response to the original complaint Mr D made to it. However, I am satisfied that the events which followed and which Mr D is unhappy with are closely aligned with the original

complaint subject matter about not receiving a refund in a timely way. And I note that neither party appears to disagree with these being dealt with here. Therefore, I am going to deal with everything together – as our investigator has done.

Chargeback is not a legal right or compulsory but it is good practice to raise one where there appears to be a reasonable prospect of success. I can see here that Mr D raised a dispute for three transactions made with Curve in September 2023. Curve then raised a chargeback which ultimately succeeded. Because the chargeback process succeeded I don't consider it necessary to go into the merits of the chargeback here.

However, Mr D is unhappy with how long it took to get his refund. From what I can see – the bulk of the delay in getting the refund was down to the chargeback process itself (rather than an error by Curve) and the fact the merchant defended the chargeback on more than one occasion. I can see that Curve explained to Mr D that the merchant will have 45 days to respond to each presentment. So broadly I think he would have expected it not to be a quick process.

From what I can see, one of the main issues is that Mr D wanted a temporary credit so he could pay off the funding source of his transaction with Curve. Curve doesn't appear to have promised Mr D that he would have a temporary refund, and from what I can see, in the particular circumstances here I don't think it was acting unfairly in not providing one.

I think the key delay in Mr D getting funds which Curve is at fault for here is from when Curve said Mr D's dispute had succeeded (early December 2023) and to when he finally got his funds (in January 2023). It took too long. Curve said that Mr D's bank had rejected the refund as it was in dollars (like the original transaction) rather than pounds. But then it seems like Mr D had to chase the matter to get Curve to do anything about it. Curve has not explained persuasively why it was Mr D's banks fault (Mr D says he has had dollars paid in before without issue) or why in any event it wouldn't have identified the issue and re-attempted the payment again shortly after. I don't see why it couldn't have sorted this out sooner.

To compensate him for this I think it fair to reimburse Mr D with out of pocket interest from when he should have been paid the refund (shortly after Curve told him it succeeded) to the date it eventually did settle with him. Curve originally said it had processed a refund on 7 December 2023 and that a refund would be in his account in five days. So it seems fair to broadly say that had things gone as they should have he would have been refunded by the 12 December 2023. So the redress will treat any out of pocket interest as running from this date to the date Curve eventually paid him the refund.

I note Mr D has pointed out the refund he received has a small difference of less than £2 compared to the amount he paid out initially to the merchant. It appears this is due to exchange rate differences. I think that even if Mr D had received the refund in dollars or at a different time he is unlikely to have received the exact same exchange rate as the original transaction. And Mr D doesn't appear to be claiming this small amount in any event. So rather than hold up the complaint to investigate what the rate would have been on 12 December 2023 I have continued to resolve the matter as is.

I think that Curve did provide quite comprehensive information about the chargeback process to Mr D. But I do see that at times it did not communicate as well as it could have. I think particularly in October 2023 Mr D appeared to be unclear about the status of his dispute (or the status of some of the chargebacks individually) – and felt he had to chase things up with Curve. Mr D felt Curve was not pro-actively keeping him informed about the status and whether things were likely to get resolved soon. And it appears he was getting inaccurate information from it about deadlines for the merchant's response. Considering the

amount of money in question I think this naturally caused more distress. I can also see Curve wasn't initially very clear with Mr D about the success of the chargeback (i.e. was it one or all three that had succeeded) and what Mr D needed to provide for it to make the refunds to him. I think the communication could have been more timely and clearer/more accurate in places. It would have also been inherently frustrating to have to chase a refund when it didn't arrive in the timeframe Mr D was told it would. And I note that at one stage Mr D had to chase the £20 compensation which Curve offered him for poor customer service – which also would have been frustrating.

I note Mr D has said that Curve didn't tell him Section 75 protection didn't apply to his transaction. However, I can see that its literature on the website says that Section 75 doesn't apply to this debit card product. And I don't see where it actively misled him here. Nor is there persuasive evidence that a Section 75 investigation would have got him his money back sooner in any event.

Deciding compensation is not a science. And there needs to be recognition that a disputes process won't necessarily be without a degree of frustration. I also have to factor in that when Mr D raised issues with customer service it did appear to be apologetic and attempt to put things right. I note that when it failed to pay him the initial £20 compensation it added another £10 too.

Mr D appears to have received £30 from Curve already. Our investigator appears to have said it was £20. However, that does not change things here. I still think £30 is too low and an additional £80 is fair in the circumstances here. This reflects that the customer service Curve provided Mr D could have been better, and that overall it caused him more than the level of inconvenience and distress you would normally expect in a disputes process.

Putting things right

Curve should put things right as I have set out below.

My final decision

I uphold this complaint and direct Curve UK Limited to:

- Pay Mr D 8% simple yearly interest on the chargeback amounts refunded in respect of this dispute calculated from 12 December 2023 to the date the refund was received by Mr D; and
- pay him an additional £80 compensation for distress and inconvenience.

If Curve deducts tax from my interest award it should provide Mr D with a certificate of tax deduction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 31 October 2024.

Mark Lancod
Ombudsman