

The complaint

Mr A complains that Metro Bank PLC refused to refund card payments for two purchases he made and that it closed his account.

What happened

In July 2023 Mr A made two purchases from a market trader. Each was for £1,988, and the payments were made a week apart. Mr A paid using his Metro Bank debit card.

Mr A says that the arrangement he had with the seller was that he would take delivery of the items a few days after the second payment. However, when he tried to do so, he was told that the items had not been delivered to the trader, who agreed to and processed a refund.

Subsequently, however, the refund was reversed. Mr A says he tried to contact the seller but was unable to do so – the market stall had closed down.

Mr A provided Metro Bank with invoices for the goods, as well as card transaction and refund slips. Metro made a chargeback claim, but it was not accepted. Metro decided not to pursue it any further. It subsequently decided to close Mr A's account, and it gave him two months' notice that it was doing so.

Mr A referred the matter to this service, where one of our investigators considered what had happened. She did not recommend that the complaint be upheld. Mr A did not accept the investigator's assessment and asked that an ombudsman review the case.

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've reached the same overall conclusion as the investigator did, and for similar reasons.

Mr A's complaint about the failure to refund the two payments he made is, in effect, a claim that he did not receive the goods he paid for. There is, however, no proof of that either way, since the arrangement with the seller was that he would collect the goods in person. That was the background against which the chargeback was not successful.

Banks and other card providers are not obliged to make a chargeback request, although we generally take the view that they should do so if there is a reasonable prospect of success. In this case, I think it was reasonable of the bank to take the view that it should not pursue the chargeback any further than it did. And, since the chargeback had not been successful, it was also reasonable of Metro Bank not to provide a refund to Mr A.

I also believe that Metro Bank was within its rights to close Mr A's account. It did so by giving him 60 days' notice, as the account terms provided. That was a reasonable notice period in the circumstances, and I am satisfied that the decision to close the account was taken in the legitimate exercise of Metro Bank's commercial discretion.

My final decision

For these reasons, my final decision is that I do not uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 August 2024.

Mike Ingram
Ombudsman