

The complaint

G complains about how PayPal (Europe) S.À r.l et Cie, S.C.A. trading as Zettle by PayPal dealt with a chargeback. G is represented by Mr P.

What happened

Mr P says a chargeback was raised by a customer of G in around October 2023. He says he received an e-mail from Zettle on 14 November 2023 asking him for evidence about the chargeback. Mr P says he provided the evidence on 15 November which would have refuted the customer's chargeback claim. He says Zettle didn't look at the evidence and later found out the chargeback had been found in the customer's favour on 13 November 2023. In summary Mr P says G has lost about £10,000 due to what took place and that Zettle failed to provide the evidence that could have helped it.

Zettle says it e-mailed G on 1 November 2023 and told it about the chargeback. It says it asked for evidence within seven days but didn't receive it. Zettle says it did provide the evidence it had but the card issuer decided the chargeback in favour of the other party on 13 November 2023.

Mr P brought the complaint to us, and our investigator didn't uphold it. The investigator accepted Zettle's e-mail of 14 November 2023 was misleading as the chargeback had already been decided. The investigator thought Zettle had asked G for the evidence on 1 November 2023, but it provided the evidence too late.

Mr P doesn't accept that view and says Zettle should pay the company losses.

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 have come to the overall view that I don't uphold this complaint.

I am sure Mr P, on behalf of G, understands that Zettle is not responsible for the chargeback rules, or the time scales involved here. The rules are set by the card provider. There is no dispute that a customer of G raised a chargeback. I have looked carefully at Zettle's records and can see it e-mailed G on 1 November 2023 and told it about the chargeback. I can see that e-mail also asked G for evidence to provide the card provider with, in order to decide the outcome of the chargeback and that G should provide it within seven days. I'm satisfied that e-mail was sent correctly to G's e-mail address and was clear about the process as well as the timescale. I would have expected G to have responded to that message and I can't fairly hold Zettle responsible for any lack of a response.

I'm satisfied that Zettle did provide the card provider with the evidence it did have and so fairly tried to help G as I would expect. But I'm also satisfied that G didn't provide the additional evidence it wanted to submit until 15 November 2023 which was after the card provider had determined the chargeback. I can't fairly hold Zettle responsible for that or for

any losses incurred by G.

I accept Zettle's e-mail of 14 November 2023 is misleading, but I don't think it had any impact on what took place. I say that as the chargeback had been determined on 13 November 2023 in any event and so it didn't matter at that stage what evidence was submitted, as it wouldn't have made any difference to the outcome. I appreciate Mr P says that Zettle should still pay compensation for its losses due to that misleading e-mail but I disagree and think that any losses were caused by the chargeback and not that misleading e-mail.

Overall, I find Zettle correctly told G about the chargeback and did what it could to assist the company. There is no guarantee the card provider would have found in G's favour even if it submitted the additional evidence. But I'm satisfied overall that G was told about the chargeback and told to provide evidence within seven days in line, no doubt, with the chargeback rules. I don't think G has explained why it didn't respond to the 1 November 2023 e-mail which was correctly sent. It follows that I can't fairly order Zettle pay the compensation G would like or that the misleading e-mail of 14 November 2023 justifies compensation in these circumstances.

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 G to accept or reject my decision before 8 June 2024.

David Singh
Ombudsman