

The complaint

Mr H complains about Nationwide Building Society ("Nationwide") for the way it dealt with his dispute. He wants Nationwide to reimburse him for the cost of the disputed item and to review the way it handles disputed transactions.

What happened

Mr H purchased an extractor fan through a third-party merchant in summer 2023, using his Nationwide credit card.

The fan cost £167.82 and was delivered to Mr H in mid-July 2023.

Mr H had arranged for a private contractor to install the fan. That contractor was not available to carry out the installation until the end of August 2023.

The contractor attempted to install the fan and advised Mr H that it was not working. Mr H therefore thought that the fan he had bought was defective.

Mr H contacted the merchant. The merchant advised him to buy a replacement and to return the existing one. Mr H did not wish to spend more with that merchant so ordered an alternative fan from elsewhere.

He continued communicating with the merchant and the merchant collected the fan for testing. The merchant concluded that the fan was in working order and so was not eligible for a refund.

Mr H contacted Nationwide and requested a refund by a section 75 claim, as he had paid by his credit card.

Nationwide opened a chargeback claim and raised a query with the merchant.

While the claim progressed, Nationwide refunded the cost of £167.82 to Mr H. Nationwide also acknowledged delays in its handling of the claim and paid Mr H £70 compensation.

The merchant then disputed the claim and submitted evidence to Nationwide. This evidence suggested that the contractor had sought to install the fan incorrectly, and this was the cause of it not working. It also suggested that the contractor had marked the fan with a pen and so it was not in unused condition. The merchant argued that the fan was outside of the terms for a refund.

Nationwide accepted the merchant's evidence and re-charged the payment back to the merchant.

Mr H was unhappy with this and complained to Nationwide. Nationwide sent its final response to Mr H in January 2024, rejecting his complaint.

Mr H then contacted us.

One of our investigators considered this matter and set out their view to Mr H. This was that Nationwide had acted reasonably in the way it had applied the scheme rules for a chargeback, and that it was reasonable to decline a S.75 claim, as there was evidence that the merchant had met its contractual obligations.

Mr H did not accept that view, and asked for an ombudsman 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.

I understand Mr H's frustration in this matter, and I can see how it feels very unfair to him to be without the fan itself and to still have paid for it.

I do, however, agree with my colleague's view and I do not uphold this complaint.

As my colleague set out, it is important to distinguish what responsibilities Nationwide had, and to look at whether it carried out its part fairly.

That does not mean that finding that Nationwide has acted fairly is an endorsement of the merchant's view in this dispute.

Mr H clearly feels that the merchant has acted unfairly, and he accepts his contractor's assessment of the item, that it was not working when received. This is understandable.

Nationwide is governed by the rules of the relevant schemes, either in chargeback, or in a S.75 claim, and is asked to assess the available evidence and the likelihood of a claim succeeding. In this instance, my colleague set out the evidence that was available, and what Nationwide had considered. Nationwide concluded that there was more evidence available to support the merchant's account, than there was evidence to show that the merchant was in breach of contract.

I do not think its assessment was unreasonable.

My colleague set out the requirements for starting a s.75 claim and why he considered Nationwide was reasonable in declining that claim. I agree with his assessment.

Consequently, while I realise that this will be disappointing to Mr H, I agree with my colleague's view and do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold Mr H's complaint and do not ask Nationwide Building Society to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 January 2025.

Laura Garvin-Smith
Ombudsman