

The complaint

Mr W complains that Nationwide Building Society did not pursue a chargeback in respect of a payment which was made to a business which provides website services.

What happened

In June 2023 Mr W's Nationwide card was used for a payment of £179.88 to a business which I'll call "G". G provides website services, and the payment was said to be for the SSL security feature.

Mr W contacted Nationwide seeking a refund of the payment. He says that he only uses G's services to buy domain names and that he already has the SSL feature from a different provider. He says too that the feature auto renews but that there was no option on G's website to disable that feature. Because he had not cancelled the auto renewal feature, G had refused his refund request.

Mr W contacted Nationwide to ask that it pursue a refund. There were some difficulties in obtaining information about the payment and relevant documents, in part it seems because of confusion over the correct email address to use. However, when Nationwide received and reviewed the information about the case, it decided that it would not pursue matters any further. It thought that the claim for a refund was unlikely to succeed.

Mr W referred the matter to this service, where one of our investigators considered what had happened and issued a preliminary assessment of the case. He took the view that Nationwide had acted reasonably and did not recommend that the complaint be upheld.

Mr W did not accept the investigator's recommendation 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.

Chargeback is a process for resolving payment disputes between card issuers and the providers of card services to merchants. It often has the effect of resolving disputes between card holders and merchants, but it is a process that is run by the relevant card schemes – in this case, VISA. It is therefore not always the most appropriate means of dealing with disputes such as this one.

There is no legal or regulatory obligation on a card issuer to process a chargeback request, simply because a cardholder has raised a dispute. However, this service takes the view that it is good practice to do so if there is a reasonable prospect of success.

In this case, Nationwide noted that G's terms and conditions set out the services which were subject to auto renewal and included G's refund policy. It noted too that Mr W did not appear to have cancelled the auto renew feature in respect of SSL security (indeed, he says he was

unable to do so) and so took the view that pursuing a chargeback was unlikely to result in a refund.

It is not for me to say whether chargeback would have resulted in a refund, and nor is it for me to comment on Mr W's underlying dispute with G. What I must consider is whether, given what it knew about that dispute, Nationwide's actions were reasonable. In my view, it was reasonable of Nationwide to conclude that a chargeback was unlikely to succeed and not to pursue it.

I note too that Mr W is unhappy that he was asked on several occasions to provide information about the dispute, even though he says he had already provided it. That delayed matters, but I do not believe it made any material difference to the outcome and I do not believe it merits an award of compensation – even if I were to conclude that Nationwide made an error.

And I note too that Mr W says that Nationwide should not have processed the payment, since it was a payment for business purposes made using his personal card (in breach of the account terms). Since Mr W provided G with the card details, however, I do not accept that. If Mr W had used the card in breach of the account terms, it would not be fair to allow him to benefit from that by making an award in his favour.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 November 2024.

Mike Ingram

Ombudsman