

The complaint

Mr A complains about how First Rate Exchange Services Ltd ('FR') handled chargebacks he made to it.

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 A raised several chargebacks with FR for transactions made using its pre-paid debit card. Mr A says the transactions total around £3,000 and relate to various travel bookings. Mr A says that he has been scammed, not received services, and been falsely promised refunds.

Mr A says FR made him complete separate dispute forms and has not refunded him for these transactions where he feels he is due his money back.

The complaint was not upheld by our investigator so Mr A asked for an ombudsman to look at things again.

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 don't think either party has been entirely clear about the exact transactions this complaint is about. But I note that our investigator has looked into 11 specific travel related chargebacks from July 2023 which appear to be those Mr A is unhappy with as they relate to situations where he did not get the refund he wanted. In response to our investigator's view neither party has said these are the wrong transactions to look into so I am proceeding on the basis that these are the subject matter of the complaint here.

It is also worth noting that I am not going to be naming the third party suppliers that received payment for the disputed transactions. But for clarity I am going to follow the order of transactions used in our investigator's view and refer to the supplier's by initial only.

I am sorry to hear about Mr A's issue with the travel services he paid for. However, it is worth noting here that FR is not the supplier of the services. 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 with the information that was reasonably available to it at the time. As Mr A used a pre-paid debit card to pay for the services in dispute I consider the chargeback scheme to be relevant here.

Chargeback

Chargeback is a dispute scheme which isn't based on consumer law but the specific rules of the relevant card scheme. Here I understand Mr A's payment card is issued by Mastercard – so it is these rules which I have considered when deciding what is fair.

It is not compulsory for FR to raise a chargeback – but I would expect it to where there is a reasonable prospect of success.

It appears that FR considered several chargebacks for Mr A. And in all these instances they were apparently discontinued by FR (at least I will proceed on this basis because neither party has disputed that). In each instance I will look at whether that appears to be fair.

Purchases with 'T' Airways

1. £149 transaction on 17 July 2023

Mr A submitted a dispute form to FR for a service not received. Mr A refers in his dispute form to a hotel voucher not being received, and then elsewhere a car hire voucher not being received. But despite the inconsistency in this information FR appears to have raised the chargeback for him.

I can see the merchant defended the chargeback on the basis that it was for flights which were boarded and used. The defence is detailed and shows a service was provided.

Because of the robust and credible defence from the merchant it doesn't seem unreasonable that FR would discontinue the chargeback when it did. This is particularly the case considering the inconsistency in Mr A's dispute submission.

2. £516 transaction on 17 July 2023

Mr A submitted a dispute form to FR for a service not received. Mr A says he made a hotel booking but it wasn't confirmed and he was due a refund which he didn't get.

It appears that FR raised a chargeback for Mr A. I can see that the merchant defended the chargeback saying that the transaction was for flights which were non-cancellable and partly used (including other 'no shows').

Because of the detailed and credible defence from the merchant it doesn't seem unreasonable for FR to have discontinued this chargeback. Also noting that there are apparent inaccuracies with Mr A's submission about the nature of the transaction.

3. £44.99 transaction on 18 July 2023

Mr A submitted a dispute form to FR for a service not received. Mr A says in his dispute form that he made a car hire booking but he was not issued a voucher for this.

It isn't clear if FR raised a chargeback for this but in the circumstances I don't think this would have been unreasonable noting that in Mr A's submission there is inconsistency and a lack of detail. For example he says the booking is for car hire then provides an email in support but titled as if it relates to a hotel booking.

4. £167 transaction on 17 July 2023

Mr A submitted a dispute form to FR for a travel package and car hire which he said he had not received as it was cancelled by the supplier. The dispute documents also contain an email which is titled as relating to a hotel booking but then refers to a car hire payment. However, despite this lack of clarity FR appears to have raised a chargeback.

The chargeback was defended in detail by the supplier which provided evidence to show the booking was for flights and that these flights were used. It also said there was no record of Mr A complaining to it in the first instance about the matter. Because of this robust defence, and particularly noting the lack of detail and inconsistency in Mr A's submissions it doesn't seem unreasonable that FR discontinued the chargeback here.

Purchases with 'W' Airlines

5. €99.98 transaction on 17 July 2023

Mr A submitted a dispute form to FR for a hotel transfer which he says he had not received. FR appears to have raised a chargeback for Mr A.

The supplier provided a detailed defence explaining that the transaction was for a non-refundable flight which was supplied as per its terms and conditions. Because of this robust defence and particularly noting the lack of detail and apparent mistakes in Mr A's submission about the nature of the transaction it doesn't seem unreasonable that FR discontinued the chargeback here.

6. 425 AED transaction on 17 July 2023

Mr A submitted a dispute form to FR for what he says was perfume he bought onboard a flight that was not provided. Mr A says he was told by the flight crew that the transaction didn't go through but he found out it did.

It isn't clear if FR raised a chargeback for this dispute. But I think the submission lacks detail and supporting evidence – such as a copy of a receipt for the transaction or evidence that (as is a requirement of the chargeback scheme) to show Mr A attempted to resolve the matter with the merchant first. So I don't think FR would have been acting unfairly for not progressing the chargeback here.

7. 378 AED transaction on 18 July 2023

Mr A submitted a dispute form to FR for what he says was for a car hire booking he did not receive. It appears that FR raised a chargeback for this.

The supplier provided a detailed defence stating that the transaction was for a flight booking that was provided, unused and non-refundable in the circumstances. Because of the robust defence by the supplier, and Mr A's apparent error in the product he was claiming for versus the actual nature of the transaction I don't consider FR was acting unreasonably in discontinuing the chargeback here.

8. 187 AED transaction on 18 July 2023

Mr A submitted a dispute form to FR saying that he didn't receive a car transfer from an airport to a hotel. It appears that FR raised the chargeback for Mr A here.

The supplier provided a detailed defence stating the transaction was for a flight reservation which had been provided and used. It said no refund was due. Because of the robust defence by the supplier, and the apparent inconsistency in Mr A's submission versus the actual nature of the service it doesn't seem unreasonable that FR would have discontinued the chargeback here.

9. 294 AED transaction on 18 July 2023

Mr A submitted a dispute form to FR saying that he didn't receive a voucher for car hire. It appears that FR raised a chargeback for Mr A here.

The supplier provided a detailed defence stating the transaction was for a flight reservation which was available for use but unused, and non-refundable. Because of the robust defence by the supplier, and the apparent inconsistency in Mr A's submission versus the actual nature of the service it doesn't seem unreasonable that FR would have discontinued the chargeback here.

Purchase with 'FM'

10. £18 transaction on 20 July 2023

Mr A submitted a dispute form to FR saying that he had bought a bus ticket but not received it.

It isn't clear if FR raised a chargeback for this dispute. But I think the submission lacks detail and supporting evidence – such as a copy of a receipt for the transaction or evidence that (as is a requirement of the chargeback scheme) to show Mr A attempted to resolve the matter with the merchant first. So I don't think FR would have been acting unfairly by not progressing the chargeback here.

Purchase with 'B'

11. £222.29 transaction on 23 July 2023

Mr A submitted a dispute form to FR saying that he booked a flight and the supplier informed him it was cancelled and he would get a refund. However, Mr A also provided other information which appeared inconsistent with this testimony. It appears he provided his complaint email to B which indicates he booked a flight and didn't get a confirmation and was promised a call by customer services but didn't

receive it.

Mr A also submitted a screenshot of communication from B titled 'your refund payment confirmation'.

Despite the inconsistency in the information about what occurred FR appears to have raised a chargeback for Mr A.

The supplier provided a detailed response to say that Mr A booked a flight and provided supporting evidence to show that it provided booking confirmation to Mr A of the flight and that the service was provided in accordance with its terms. It also appears that the 'booking number' the supplier provided in its defence did not match the same booking number on the correspondence Mr A had provided FR relating to an alleged refund.

Because of the robust defence by the supplier and the discrepancies in Mr A's account I don't consider that FR acted unfairly in discontinuing the chargeback here.

Overall, I don't consider that FR has acted unfairly in not progressing the chargebacks further than it did here. I also note that based on similar conclusions by our investigator Mr A has not provided clear information as to what basis he contests this on.

Customer service

Mr A hasn't really provided specific or detailed examples of where he considers the customer service of FR fell short – nor has he focused on this aspect following our investigators view. However, in the interest of completeness I will deal with this briefly.

I note Mr A has at points made reference to FR's customer service in actioning the disputes. Namely that he had to fill out a separate dispute form for each dispute. While I can understand that Mr A found this inconvenient I don't think it was unfair as it allows FR to gather information in respect of each dispute in a clearer way.

While I appreciate Mr A indicates he has called FR a lot about the disputes and chased what has happened– it seems a natural consequence of having a lot of disputes going on at one time – and the fact that the chargeback process will naturally take time due to the need to wait for the responses from the various suppliers. Mr A has indicated that FR didn't call him back at times. But I can also see from FR's system notes that it appears to have responded to his requests for updates – such as on the 3 September 2023 when he called for an update and it attempted to call back to say it was still waiting for merchant responses within the 45 timescale. It says it got no response or voicemail facility for Mr A at the time.

And while Mr A did not always get the refunds he wanted – and was naturally frustrated by this – I don't see clear evidence that FR acted unfairly here. It appears in some cases to have gone over and above by raising chargebacks despite a scarcity of and/or inconsistent information. So I won't be directing it to pay him compensation here.

I can appreciate my decision is likely to disappoint Mr A. But it is focused on the actions of FR rather than the individual supplier's Mr A has disputes with. Mr A is free to reject my decision and pursue his disputes with the supplier's separately if he wishes to do this.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 November 2024.

Mark Lancod
Ombudsman