

## **The complaint**

Mr B is unhappy about the way in which National Westminster Bank Plc (NWB) handled his chargeback claim.

## **What happened**

In November 2023 Mr B reserved accommodation at a hotel from 27 January 2024 to 3 February 2024 (7 nights) and provided his NWB card details as the payment method. The hotel emailed confirmation of the reservation to Mr B and stated that the total cost of the stay would be \$3,631.74. It also stated that a deposit of \$172.94 per room would be required. There were three rooms, so the deposit required was \$518.82, which would leave a balance of \$3,112.92

Mr B's debit card was debited £417.06 on 27 November 2023. Further sums totalling £3.117.10 were debited on 27 January 2024.

Mr B contacted the hotel and said he'd been overcharged. He says the hotel assured him that it would issue a refund within 5-10 business days.

Mr B waited but didn't receive a refund within the timescale indicated. On 20 February 2024 he contacted NWB and asked to raise a chargeback claim for £513.10.

NWB asked Mr B to provide evidence in support of the claim. Mr B sent in some information but ultimately NWB declined the claim. It said it hadn't been provided with a valid invoice.

Mr B complained to NWB. He was unhappy that NWB hadn't contacted the hotel directly to resolve the issue.

NWB didn't uphold the complaint. In its final response it said there was no chargeback right for the dispute Mr B was trying to raise as overcharge/incorrect amount charged. NWB said it could only dispute a transaction if it had the correct documents to support the dispute and, in this case, Mr B hadn't provided a valid invoice. NWB said it didn't have direct contact with individual retailers in disputed transaction claims, and that any investigation it did undertake would be via the retailers bank, in accordance with the relevant card scheme rules.

Mr B remained unhappy and complained to this service. He said that whilst he's finally managed to get the money back from the hotel, he spent around 30 hours trying to get NWB to assist him and believed he should receive compensation for the poor service.

Our investigator didn't uphold the complaint. He said he didn't think NWB had made an error or treated Mr B unfairly by declining the claim because there wasn't enough evidence to substantiate a successful chargeback claim. The investigator said there was no official confirmation of the amount which was supposed to be refunded by the hotel. He said he agreed with NWB that there was no chargeback right for the dispute of overcharge/incorrect amount charged. The investigator said that although he was aware that Mr B had wanted NWB to contact the hotel, this wasn't part of the chargeback process.

Mr B didn't agree so I've been asked to review the complaint.

### **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.

In this decision I've focussed on two issues. Firstly, did NWB act reasonably when it declined the chargeback. And secondly, did NWB make any errors or treat Mr B unfairly during the handling of the chargeback.

#### *Chargeback*

When dealing with chargebacks, banks and providers of credit need to do so within the remit of the rules set by the relevant card scheme. In Mr B's case, the relevant card scheme is Mastercard.

Chargebacks are a voluntary scheme. How it works is that the card issuer checks the complaint against the possible chargeback reasons to see if there is a chargeback right, and if so, to see what sort of evidence is required. This is so the card issuer can decide whether it can make a successful claim for the customer. Card issuers don't have to submit claims and will only do so if they believe they have evidence that will support a successful chargeback claim. This service expects card issuers to help if they can, but we don't expect them to raise a chargeback if there's little prospect of success.

I've looked at Mr B's request to raise a chargeback to see whether NWB acted reasonably when it declined the chargeback.

I can see that NWB requested further evidence from Mr B to support the claim. Although Mr B provided some information, NWB has said that he never provided a valid invoice from the hotel, nor did he provide any formal confirmation of what the hotel had said it would refund. NWB declined the claim for lack of evidence.

Based on what I've seen, I'm satisfied that NWB acted reasonably in declining the chargeback. NWB acted in line with the chargeback rules when it determined that there wasn't enough evidence to support a successful claim.

#### *Customer Service*

Mr B has said that NWB should've done more to help him. He says they could've contacted the hotel directly for the information they needed.

I understand Mr B's point. However, the card issuer doesn't have direct contact with the merchant in a disputed transaction claim such as this one, but will instead liaise with the merchant's bank, following which the merchant's bank will contact the merchant to provide evidence of whether the claim is disputed. This is part of the chargeback process and I'm unable to say that NWB made an error when it followed the process.

I appreciate that Mr B has spent considerable time communicating with NWB about the claim. I understand how frustrating this must've been. Mr B has told this service that – as a result of his own continued efforts – he's managed to recover the monies from the hotel directly. I'm pleased to hear that.

However, in considering whether NWB has made an error or treated Mr B unfairly here. I'm not persuaded that they did. I won't be asking NWB to do anything further.

**My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 August 2024.

Emma Davy  
**Ombudsman**