

The complaint

Mrs K complains Nationwide Building Society (“Nationwide”) didn’t do enough to help get a refund for a purchase made on her debit card.

What happened

In April 2024, Mrs K bought an item from a supplier I’ll call J. The item cost around £1,100 and Mrs K paid using her Nationwide debit card. The item was delivered to Mrs K’s selected delivery location. Upon retrieving the package, Mrs K says it was empty, meaning her purchase wasn’t there. Having unsuccessfully tried to resolve the issue with J, Mrs K contacted Nationwide for help getting a refund.

Nationwide submitted a chargeback (a method of recovering funds paid to a supplier via the card scheme – VISA). Nationwide said it would apply a temporary credit for the value of the transaction, while the chargeback was under review. Nationwide recognised the chargeback took a little longer to process and paid £25 to apologise for this.

In response to the chargeback J submitted a defence, saying it had delivered the item. Nationwide said based on the evidence available it couldn’t take things further, in line with the chargeback rules and would re-debit the value of the transaction from Mrs K’s account.

Mrs K complained to Nationwide. She said she was given no notice the chargeback hadn’t succeeded and only became aware when Nationwide charged her account. Mrs K was also unhappy Nationwide hadn’t done more to help, as she said she still didn’t have the item she’d paid for.

Nationwide doesn’t agree it’s done anything wrong. It says J provided evidence it sent the item, so wasn’t able to challenge this further. Nationwide also says it wrote to Mrs K confirming this in May 2024 and that it would look to re-debit the value of the transaction. It then applied this charge in June 2024.

Mrs K remained unhappy so referred her concerns to our service. One of our Investigators looked into what happened and didn’t think Nationwide need do anything further. He said he was only able to look at the actions of Nationwide and having done so, thought it had followed the chargeback process correctly and that the £25 to apologise for misinformation at the beginning of the process was reasonable.

Mrs K remained unhappy saying she felt the parties involved should have investigated further and she was still out of pocket. As the matter couldn’t be resolved it’s been passed to me to decide.

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’m looking here at the actions of Nationwide and whether it acted fairly and reasonably in the way it handled Mrs K’s request for help in getting her money back. This will take into

account the circumstances of the dispute and how the supplier has acted, but there are also other considerations, such as the card scheme rules, which Nationwide must follow and its own obligations.

Mrs K paid J for the item using her debit card. This meant the only realistic option available to Nationwide to get her money back was to engage with a process known as chargeback.

The chargeback process provides a way for a building society to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the supplier and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme and if these are not met, a chargeback is unlikely to succeed. The process provides an opportunity for a supplier to provide a defence to the chargeback and provide its own evidence in support of that defence. If the supplier continues to defend the chargeback the building society can either accept that defence if it believes it is valid, or, it can ask the card scheme to decide who gets to keep the money – usually referred to as arbitration.

Nationwide raised a chargeback on behalf of Mrs K, under the reason code that the item was not as described. This appears to be the incorrect chargeback code as the dispute was that Mrs K had never received the item. In responding J acknowledged this and defended the chargeback on the basis it had been raised as goods/services not received - the correct code. Nationwide then considered the chargeback against the correct code.

In its defence J set out it had delivered the item to the address Mrs K had selected alongside providing confirmation of the weight of the package when it was delivered. It says the weight showed the item would have been inside, otherwise, the package would have been lighter.

Nationwide considered the evidence submitted by Mrs K and the defence from J. Having done so, it decided not to challenge the chargeback further. While I appreciate this won't be the answer Mrs K is hoping for, Nationwide has fairly considered her chargeback claim.

I say this because J's evidence showed the item was delivered to the location Mrs K requested and the weight of the package suggests the item was inside, meaning J had done what it was required to do. Therefore, were Nationwide to have challenged the chargeback further, the prospect of success when considering the scheme rules was low. I say this as the scheme rules give an example of a valid defence, as being evidence of *'The Cardholder or an authorized person received the merchandise or services at the agreed location or by the agreed date/time'* and this is what J was able to evidence, in that the package was delivered to the requested location and its weight supports that the item was inside.

Having accepted J's defence, Nationwide wrote to Mrs K on 15 May 2024, to confirm the chargeback hadn't been successful and that it would be re-debiting the value of the transaction within 21 days, which it duly did. The letter was correctly addressed, so while I acknowledge Mrs K's comments that she didn't know of the outcome until her account was re-debited, I'm satisfied Nationwide did what it was required to, in terms of informing her of the outcome of the claim.

Nationwide paid Mrs K £25, to acknowledge any inconvenience when originally setting up the chargeback and that it could have given clearer communications while on calls. In the circumstances I think this is a fair amount, I can see there was some back and forth as Nationwide looked to confirm the relevant details of the chargeback.

Therefore, while I appreciate this is unlikely to be the answer Mrs K is hoping for, I won't be asking Nationwide to do anything differently. Nationwide has paid £25 to acknowledge any inconvenience at the beginning of the process, which I think is fair. In terms of the

chargeback, Nationwide raised this as I'd expect. Having received J's defence, its decision not to challenge the chargeback further was reasonable when considering the card scheme rules. Following this, Nationwide wrote to Mrs K confirming the outcome of her claim and gave notice before re-debiting the transaction from her account.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 8 January 2025.

Christopher Convery
Ombudsman