

## **The complaint**

Mrs R complains about a decision taken by NewDay Ltd trading as John Lewis Credit Card ("John Lewis") not to refund to her the sum of £369 she paid a company that I will call "M" for an item of clothing.

## **What happened**

On 13 December 2023 Mrs R purchased an item of clothing, costing £369, from one of M's stores.

On 18 December 2023 Mrs R contacted the store from where she had made her purchase and then M's head office to complain that the item she had purchased was supplied creased and remained so and that she would like to return it.

On 28 December 2023, and unhappy with the service provided by M to date, Mrs R approached John Lewis for assistance.

John Lewis raised a chargeback on Mrs R's behalf but this was defended by M. And on receiving M's defence John Lewis took the decision not to pursue the chargeback any further.

John Lewis then reviewed Mrs R's claim under section 75 of the Consumer Credit Act 1974 ("S75"). But after doing so it concluded it wasn't liable to Mrs R.

Unhappy with John Lewis' decision to decline her claim for a refund and it's subsequent decision not to uphold her complaint about that declination Mrs R referred matters to our service.

Mrs R's complaint was considered by one of our investigators who came to the view that it shouldn't be upheld.

Mrs R disagreed with the investigator's view so her complaint has been passed to me for review and 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.

Having done so I can confirm that I've come to the same overall outcome as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

I'm very aware that I've summarised this complaint above in far less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Secondly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

Finally, I would like to confirm that I'm satisfied that both parties have had sufficient time to provide me with everything they want to and I see no good reason to delay the issue of this decision.

There are typically two avenues here that John Lewis as the provider of credit could have Considered when Mrs R approached it in late December 2023.

### *Chargeback*

In certain circumstances, when a cardholder has a dispute with a merchant, as Mrs R does here, John Lewis (as the credit card issuer) can attempt a chargeback. The process involves the card issuer disputing payments made on the card through a dispute resolution scheme operated by the companies which run the card networks.

Mrs R submits that she wanted to return the item within 30 days of purchasing it, as allowed for under M's return policy, but M refused to assist her with making that return 'in time'. Mrs R also submits that during the 30 day return 'window' M said it would "*open a case*" for her on the grounds the item she had purchased was "*faulty*".

John Lewis raised a chargeback, on Mrs R's behalf, under the reason code "*goods or services not as described or defective*", a chargeback that was defended by M and one that wasn't pursued further by John Lewis.

First, I don't think John Lewis did anything wrong in raising a chargeback on behalf of Mrs R under the reason code "*goods or services not as described or defective*" because this is what Mrs R asked it to do.

Secondly, I don't think John Lewis did anything wrong in not pursuing the chargeback further when it received M's defence to it. I say this because like the investigator I'm satisfied that pursuing it further had no reasonable prospect of success on the grounds of very little evidence, if any, that the item Mrs R purchased wasn't as described or was defective.

Notwithstanding what I say above and notwithstanding that businesses only have one opportunity to raise a chargeback I've considered whether a chargeback raised under a different reason code might have been successful. But like the investigator I'm satisfied that there wasn't an appropriate alternative reason code and a chargeback raised for any reason would have been, more likely than not, defended by M and would have resulted in John Lewis fairly and reasonably concluding that pursuing such a chargeback further would have had no reasonable prospect of success.

So in summary I don't think John Lewis did anything wrong in this respect.

**S75**

As pointed out by the investigator under S75 the consumer (Mrs R) has an equal right to make a like claim against the provider of the credit (John Lewis) as they do the supplier (M) if there's been a misrepresentation or a breach of contract by the supplier.

But also like the investigator I'm not persuaded that Mrs R has provided sufficient evidence of a misrepresentation or breach of contract by M such that I could reasonably conclude that John Lewis should have concluded it was liable to Mrs R under S75.

So in summary I don't think John Lewis did anything wrong in this respect.

#### *Other matters*

I note that Mrs R is also unhappy with the time taken by John Lewis to advise her that the chargeback it had raised had been defended by M and that it wasn't going to pursue it any further. But even if I was to accept there was a delay on the part of John Lewis in this respect I can't see such a delay has caused Mrs R, in itself, a loss or material distress and inconvenience or that such a delay has in anyway prejudiced Mrs R's position.

So in summary I don't uphold this aspect of Mrs R's complaint.

I appreciate that Mrs R will be very disappointed. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

#### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 30 December 2024.

Peter Cook  
**Ombudsman**