

The complaint

Mr F complains that National Westminster Bank Plc (“NatWest”) didn’t proceed with a chargeback claim he sought to raise against a merchant, M.

What happened

Mr F made two transactions - £100.05 in December 2023 and £58.53 in May 2024 - using his NatWest debit card to pay for an educational support product. Mr F said he didn’t receive the product and service he paid for. So, he raised a chargeback dispute with NatWest.

NatWest declined to assist Mr F with this dispute. In its final response it said

“You were sent a response on the same day advising that we would not be assisting you further due to the high number of dispute claims made on your account... I have reviewed our system and can see within the last 12 months you have submitted multiple online forms to dispute various transactions and this is considered to be unreasonable use of the chargeback scheme... It said further claims will require proof of the validity of the dispute and evidence of all attempts to resolve with the retailer first.”

Mr F wasn’t satisfied and brought his complaint to this service. He was unhappy with the customer service he’d received.

Our investigator concluded that although M had offered Mr F a partial refund there wasn’t enough clarity on which transaction that related to. Without further evidence he didn’t think the chargeback would’ve been successful had NatWest raised one.

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 realise this will come as a disappointment to Mr F but having done so I won’t be asking NatWest to do anything further for the reasons I’ve outlined below.

When Mr F brought his claim to NatWest it initiated the chargeback approach. Chargeback is a transaction reversal made to dispute card transactions and obtain a refund if there is a problem with the product or service. Chargeback rules are set by the card scheme, and not the card issuer. The rules can be quite strict.

It’s important to say that chargeback is a voluntary scheme not a legal right, there is no automatic right to it, nor is it a guaranteed method of getting a refund. The card issuer, in this case NatWest, checks the nature of the claim against the possible chargeback reasons to check what evidence may be required and the timescales of the scheme. Card issuers don’t have to submit claims. And will likely only do so where they believe there is evidence to support a successful chargeback claim. In this case NatWest declined to proceed with the chargeback claim.

In order to decide if NatWest acted fairly I'll consider whether it likely the chargeback would've been successful.

I've looked at the evidence Mr F sent in, and I haven't seen anything which confirms Mr F didn't receive the product he purchased. I'm not disputing Mr F's testimony, but the chargeback scheme is evidence based. Our investigator asked Mr F to provide evidence including:

- Invoices for the products/ services Mr F purchased
- Confirmation and evidence of whether Mr F approached M to attempt to resolve it directly with Natwest?
- Confirmation of how the product or service would be delivered and what date they were expected.
- Confirmation of what evidence Mr F provided to Natwest to support the claim including any contact between Mr M and the merchant, invoices etc...

Mr F sent in confirmation that M would initiate a partial refund and downgrade his account for free. But Mr F made several transactions to M and it's not clear which transaction the refund was for.

Mr F hasn't provided any other evidence relating to the product not being delivered. Without this I'm unable to assess whether or not the chargeback would have been successful had NatWest raised it. So I'm not persuaded NatWest has acted unfairly by not raising the chargeback.

NatWest has *"further claims raised by Mr F will require proof of the validity of the dispute and evidence of all attempts to resolve with the retailer first."*

I can understand that Mr F might be frustrated with this stance. But I believe this is a business decision by NatWest. As I mentioned above chargeback is a voluntary scheme and there is no automatic right to it.

I'm sympathetic to the fact this is not the news Mr F would like regarding NatWest. But I'm not persuaded it acted unfairly by not raising a chargeback so I won't be asking it to do anything further.

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 Mr F to accept or reject my decision before 28 February 2025.

Maxine Sutton
Ombudsman