

The complaint

Mr B complains Nationwide Building Society didn't do enough to help get a refund for two purchases made on his debit card.

What happened

Mr B placed two food orders, one in March 2024 and the other in April 2024, paying with his Nationwide debit card. Mr B says on both occasions when he received the food, it wasn't the correct order, as his dietary requirements hadn't been adhered to.

Having raised the matter with both merchants, Mr B says neither had satisfactorily resolved his concerns. Mr B therefore turned to Nationwide for help in getting refunds. Nationwide said the only route it may be able to help was via chargebacks (a means of challenging the transactions through the card scheme provider – VISA). However, Nationwide said the circumstances of both Mr B's disputes weren't eligible within any of the chargeback codes, so it wasn't able to assist.

Mr B complained to Nationwide. He said he'd previously raised similar concerns with another bank and had successfully been refunded. Mr B said he'd also spoken with VISA and had been told his disputes could be raised. He therefore felt Nationwide should do more to help obtain the refunds.

Nationwide doesn't agree it's done anything wrong. It says it considered the circumstances of Mr B's disputes; however, they don't fall within any of the dispute categories, which is why it declined to raise the chargebacks.

Unhappy with Nationwide's response, Mr B referred his concerns to our service, alongside outlining Nationwide should pay £300 compensation for the inconvenience caused.

One of our Investigators looked into what had happened and didn't think Nationwide had done anything wrong. He said that based on the evidence, there wasn't enough to say Mr B hadn't received the orders he placed as there was no invoice or receipt confirming what Mr B had ordered. He also said the card scheme rules specifically exclude disputes about the quality of food. Therefore, the Investigator didn't think Nationwide was wrong not to raise chargebacks on Mr B's behalf.

Mr B disagreed with our Investigator, saying he was aware of similar disputes being successful. He therefore thinks Nationwide should have done more to help. As the matter wasn't 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.

In this complaint I'm looking at the actions of Nationwide and whether it acted fairly and reasonably in the way it handled Mr B's requests for help in getting his money back. This will

take into account the circumstances of the disputes as well as considering the card scheme rules, which Nationwide must follow and its own obligations.

Mr B paid for both transactions using his debit card. This meant the only realistic option available to Nationwide to help get the money back was to engage with a process known as chargeback.

The chargeback process provides a way for Nationwide to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the merchant and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme (VISA) and if these are not met, a chargeback is unlikely to succeed. So, it isn't for Nationwide to decide whether Mr B should get a refund based solely on his dispute with the merchant. Rather Nationwide must consider whether the circumstances of Mr B's claims meet the conditions as set out in the card scheme rules.

It isn't a requirement that Nationwide raise a chargeback for every dispute its customers raise. Rather, it's expected to consider the details of the dispute against the card scheme rules. If it thinks there's a reasonable prospect of success, I'd then expect Nationwide to raise a chargeback, to help its customer in trying to get a refund.

For both transactions Nationwide declined to raise a chargeback, so my decision focuses on whether it acted fairly in making these decisions.

I note Mr B says he and others have been able to successfully raise similar chargebacks with other card providers. While this may have been the case, in this decision my focus is on whether Nationwide fairly considered Mr B's disputes, against the relevant scheme rules and its obligations. So, I won't look to comment on what another card provider may have done in a different dispute.

Within the card scheme rules, I think the most applicable to Mr B's dispute is: "*Not as Described or Defective Merchandise/Services.*"

This is on the basis that Mr B did receive the meals he'd ordered; however, the merchants had failed to take his dietary requirements into consideration, meaning an ingredient was included which he'd asked them to take out.

While that's the case, my understanding is Mr B hasn't been able to submit evidence showing that the food he received was different to what he'd ordered. So, beyond his testimony, Nationwide didn't have anything to say that the food he'd received was incorrect.

In any event, the card scheme rules set out exceptions to the above chargeback code, with one of these being that a dispute is invalid if it's:

"A Dispute regarding the quality of food received from eating places or restaurants (for example: the burger was received cold)."

I appreciate Mr B's concerns are that the merchants didn't make his orders in line with his dietary requirements. However, I think it would be fair to say this is ultimately a dispute about the quality of the food Mr B received, in that he's saying an ingredient was included, which he'd asked them to take out.

On the basis that Mr B wasn't able to provide evidence the food he received wasn't what he'd ordered and acknowledging the above exclusion, I don't think it was unreasonable for Nationwide to decline to raise the chargebacks, as there wasn't anything to evidence the merchants had failed to provide what was ordered.

Mr B says he's been told he should be able to dispute the transactions under reason code 30, which is "*Merchandise/Services Not Received.*"

However, while I note Mr B's point is that he didn't receive his exact orders, it isn't that he didn't receive the food. Rather his dispute is that it was incorrectly made as an ingredient was included in error. Regardless, Mr B would need to evidence that he hadn't received the orders he'd placed, but without an invoice, order confirmation or receipt he's unable to do this. So again, I don't think Nationwide was wrong not to raise a chargeback on this basis.

Mr B also expressed concern that he'd had to chase Nationwide for its response to his complaint. From the evidence available, Nationwide provided a final response to Mr B's complaint three weeks after it was raised, which is within the expected timeframe, so I don't think it made an error on this point.

Consequently, while I appreciate this won't be the answer Mr B is hoping for, I don't think Nationwide was wrong not to raise chargebacks for the two transactions he disputed. This is because his disputes didn't meet the requirements of the chargeback conditions within the card scheme rules. Therefore, I don't think Nationwide needs to do anything further to resolve this complaint.

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 Mr B to accept or reject my decision before 25 February 2025.

Christopher Convery
Ombudsman