

The complaint

Mr G has complained that Modulr FS Limited (trading as “Plutus”) unfairly refused to raise a chargeback when he made two payments and didn’t receive the service he’d paid for.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr G has complained that Plutus has refused to raise a chargeback after he lost around £100 on a gambling website which he says he later found out was fraudulent.

Mr G says his grounds for the chargeback are that he made two payments totalling £102.85 to be loaded into his gambling account, but he was then unable to make any withdrawals from his account. He therefore says he didn’t receive the service that he paid for, and so he’s complained that Plutus hasn’t acted fairly by refusing to raise the chargeback.

Mr G made a complaint to Plutus, but Plutus didn’t uphold the complaint. It said that funds sent to gambling websites don’t meet the eligibility criteria for a chargeback to be raised.

Mr G remained unhappy so he referred the complaint to this service.

Our investigator considered everything and didn’t think the complaint should be upheld. She explained that she hadn’t seen enough evidence to believe that Plutus had acted unreasonably by declining to raise a chargeback for the payments in question.

As Mr G didn’t accept the investigator’s opinion, the case has been passed to me to make a 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.

I’m sorry to disappoint Mr G but having considered everything I’m afraid I’m not upholding his complaint, broadly for the same reasons as our investigator, which I’ve set out below.

In simple terms a chargeback is a mechanism for a consumer, via their card provider, to reclaim money from a retailer's bank when something has gone wrong, provided the transaction meets the eligibility criteria. It’s for the card provider to decide whether to raise a chargeback, and it only needs to do so if it has a reasonable prospect of success. The relevant part of the chargeback process Mr G has referred to relates to the fact that he didn’t receive the goods or services that he paid for. That’s to say, he wasn’t able to use the funds he sent to the gambling site, nor withdraw them.

It's also relevant to note that raising a chargeback isn't a legal right, and it's for the debit or credit card provider to decide whether to make a chargeback request to the retailer's bank. The process for managing these claims is determined by a set of rules by the card payment networks (Visa in this case) and there are no guarantees the card provider will be able to recover the money through the chargeback process.

I've reviewed the information Mr G provided to Plutus when he raised the issue with these transactions, and I note he said "I deposited my funds at [website]. I wagered my deposit and proceeded to withdraw....". He also told Plutus that despite the usual withdrawal time being 24-48 hours, he hadn't received the withdrawal 23 days and having checked reviews online, he found this had also happened with many of the website's other customers.

Whilst I agree it's frustrating that Mr G hasn't been able to make withdrawals from the gambling website, in order for a chargeback to be a viable route in this case I'd need to be satisfied that Mr G didn't get the service he expected from the merchant. But from everything I've seen, I don't think that's the case here. It seems that Mr G sent the funds to the gambling website and used them to gamble – and only after that did Mr G request to make a withdrawal. So the payments were made with the intention of gambling, as the evidence I've seen, suggests Mr G was able to do that.

I understand Mr G says that he only made a second payment of around £70 when he discovered he wasn't able to withdraw £30 that he had in his account, as the minimum withdrawal amount was £100. But from the evidence Plutus has provided it looks like both of the transactions took place at the same time.

Although Mr G wasn't able to make the withdrawal, it looks like the service Mr G expected – that's to be able to gamble using the deposit he made – was provided, so a chargeback wouldn't have had a reasonable chance of success. It seems the issue here is Mr G's inability to withdraw his winnings, which I'm afraid is a dispute between Mr G and the website, and not a matter that can be addressed using the chargeback scheme.

Mr G says that no bets were placed, only an illusion of bets, because he believes the website is fraudulent. But I've seen screen shots of bets placed that Mr G sent to Plutus, and I've not been given anything to make me think these weren't genuine bets, despite the withdrawal issue he's faced. So I'm satisfied that Mr G received the service he expected, and a chargeback therefore wouldn't have succeeded.

I've seen Mr G's response to our investigator's opinion in which he's explained that it's impossible to provide evidence to prove a negative – that's to say it's impossible to prove that he didn't receive what he expected. I accept his point and I'd like to reassure Mr G that I've taken his testimony as evidence in itself. But it's not an absence of material evidence that changes the outcome here, and I hope Mr G can be reassured that I've considered everything carefully before reaching my decision.

Mr G's also pointed out that there's no valid reason for Plutus not to uphold his chargeback request. But as I've explained the evidence I've seen persuades me that Mr G was able to bet, so he received what he paid for. The ability to withdraw proceeds from betting isn't what Mr G was paying for when he sent funds to the website, but that's the service he hasn't received. It's within Plutus's remit to make the decision on whether a chargeback is likely to succeed before it submits it to the card issuer, and in this case, I don't think the decision Plutus made was unreasonable.

Mr G has also given further evidence to support his point that the gambling website is a "gang of illegal criminals". Whilst this may or may not be the case, in my capacity as an ombudsman I can only make a decision on what the financial business has or hasn't done –

not the conduct of a private company that isn't a regulated financial business. I'm sorry this'll likely be frustrating for Mr G but I don't have the power to comment any further on this.

I'm very sorry about what's happened to Mr G and I do understand that my decision will be disappointing, but I'm afraid I'm not upholding his complaint. I haven't seen enough to persuade me that Plutus has unfairly refused to raise a chargeback claim based on the information it's been provided by Mr G, and I also don't hold Plutus responsible for the service issues that have happened between Mr G and the gambling website.

My final decision

I don't uphold Mr G's complaint against Modulr FS Limited, trading as "Plutus".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 November 2024.

Sam Wade
Ombudsman