

## **The complaint**

X complains about the way Nationwide Building Society handled his claims arising from a dispute with an airline. Because he paid the airline using his Nationwide credit card, he says that he has a claim against it.

## **What happened**

In April 2023 X and his wife were booked on a long-haul flight to London. Shortly before the flight was due to take off, X got into an altercation over luggage space with another passenger. X says that the other passenger was at fault, but in any event both he and the other passenger were removed from the plane.

X says he was told that he would be booked on the next available flight, two days later, and that he would be provided with accommodation until then. That did not happen, however, and instead he had to pay for a hotel and re-book his flight, at a cost of more than £1,700. His wife remained on the original flight.

On his return to the UK, X raised the matter with Nationwide. As well as saying that the airline had not provided the flight as initially booked, he said that it had fraudulently removed his name from the ticket so that he could not use it for the later flight.

Nationwide submitted a chargeback request and, in the meantime, credited X's account. The airline defended the request, and so Nationwide re-debited his account. It went on to consider whether X was due a refund under section 75 of the Consumer Credit Act 1974, but concluded that he wasn't.

X referred the matter to this service, where one of our investigators considered what had happened. He did not recommend that X's complaint be upheld. X did not accept his assessment and asked that an ombudsman review the case, as the final stage in our consideration of it.

## **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.

### ***Chargeback***

Where goods or services are paid for with a debit or credit card and a dispute arises, it is sometimes possible to resolve that dispute through the chargeback process. Chargeback is a scheme run by the card schemes (in this case, Visa). A card issuer (here, Nationwide) raises a claim through the scheme against the merchant's provider of card facilities. That provider will then consider whether the claim meets the relevant criteria for chargeback (if necessary, seeking evidence from the merchant) before responding to the claim. Where necessary, the scheme provides for arbitration between the financial businesses.

Chargeback is however primarily a scheme for resolving disputes about payment settlements – including, for example, where payments are not authorised or are duplicated, or where goods or services have been paid for but not provided. It can therefore have the effect in some cases of resolving disputes between merchants and consumers, but it is not always an appropriate or effective mechanism for achieving that aim.

There is no legal or regulatory obligation on a card issuer to pursue a chargeback claim, but this service takes the view that they should do so where there is a reasonable prospect of success.

In this case the services which X had paid for – which included X's flight to London – were not provided in full. The airline said however that this was because of X's actions. It defended the claim on that basis. In the circumstances, I think it was reasonable of Nationwide to take the view that it should not pursue the claim any further. It did however acknowledge that it had not clearly explained to X that the credit it had applied to his account might be reversed, and it paid him £100 in recognition of that. I believe that was fair in the circumstances.

## **Section 75**

One effect of section 75 is that, subject to certain conditions, an individual who uses a credit card to pay for goods or services and who has a claim for breach of contract or misrepresentation against the supplier of those goods or services has a like claim against the credit card provider. The necessary relationships between Nationwide, the airline and X are present in this case, and the transaction falls within the relevant financial parameters. I have therefore considered X's dealings with the airline.

As X has identified, he had two contracts with the airline – one for the original flights and one for the replacement flight. He has no issue with the replacement flight, which he was able to take without incident. I have therefore considered whether the airline's actions in respect of the first flight to London could give rise to a claim.

X's own account of events make it clear that there was an altercation involving him and another passenger. He is very clear too that he believes the other passenger was at fault; indeed, he thinks the root of the problem was that passenger's involvement in criminal activity.

It is not for me to say who was to blame for the altercation. What is not in dispute, however, is that the aircraft crew took the view that both passengers should be removed from the plane. The airline's terms and conditions say that it can refuse to carry a passenger who has used abusive or insulting words or who has behaved in a disorderly way and that, in such circumstances, no compensation will be payable. Even on the basis of X's account of events, I can see why the crew took the view that he should be removed from the plane.

I note as well that X says that his name was fraudulently removed from the booking. I think it more likely however that it was removed because, having been removed from the flight, he was no longer entitled to use the booking. I'm not persuaded either that he was told that he would be booked on the next available flight. I think it more likely that he was told he *could* book that flight.

It is not for me to say whether X does in fact have a claim against the airline. Nor is it for me to decide whether he has a claim against Nationwide under section 75. What I must do is decide what I consider to be a fair resolution of his complaint about Nationwide's decision to decline his claim. In the circumstances, however, I think it was reasonable of Nationwide to do so.

Finally, I note that Nationwide subsequently replaced X's credit card, which it said was a security measure. X believes it was an attempt to cover up evidence. Nationwide has explained that, when a card is replaced, "recent transactions" in the mobile app will only show those made with the new card. Older transactions remain available in the statements. In the circumstances, I am satisfied that Nationwide replaced the card for the reasons it said it did.

There is, therefore, no basis on which I can fairly require Nationwide to compensate X as a result of the events he has described.

### **My final decision**

For these reasons, my final decision is that I do not uphold X's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 16 April 2025.

Mike Ingram

**Ombudsman**