

The complaint

Mr D complains that Metro Bank PLC ("Metro") failed to properly pursue a chargeback for a disputed payment.

What happened

On 22 February 2024 Mr D made a purchase from a merchant costing £101, but then changed his mind. The payment was shown as pending in his account but Metro did not refund it. Mr D complained about that and there is a separate complaint about the handing of his request.

On 5 March 2024 Mr D requested the bank pursue a chargeback. The bank asked for more information about the transaction on the same date. It reminded him on 12 March and 9 May. This service sent copies of the 5 and 12 March letters to Mr D on 3 April 2024. Mr D provided the requested information on 23 June and on 2 July the bank wrote to tell him it was too late to pursue the chargeback.

Mr D raised a complaint which the bank partially upheld due to it not sending a letter by Mr D's preferred communication method. For that it paid him £35. Mr D brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld.

Mr D didn't agree and asked that his complaint be considered by an ombudsman.

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 considered the material provided by both parties I do not consider I can uphold this complaint. I will explain why.

Firstly I should explain how the chargeback regime works. Chargeback allows for a refund to be made of money paid with a credit or debit card in certain scenarios, such as when goods have been paid for and not received. A consumer cannot insist on their card company attempting a chargeback, but I would expect it to attempt one, as a matter of good practice, if there was a reasonable prospect of succeeding and to do so would be compliant with the rules of the card scheme to which the card belongs (most commonly, Mastercard or Visa).

As our investigator noted, chargebacks are subject to the rules set out by the relevant card scheme whose logo appears on the card. The card schemes are not within the jurisdiction of the Financial Ombudsman Service and we are unable to require them to run their chargeback schemes in a particular way. However, we can consider whether a card issuer has applied the rules correctly and conducted the chargeback process in a competent manner.

The card issuer operates time limits for claims and a dispute must be processed no later

than any of the following:

- 120 calendar days from the Transaction Processing Date
- 120 calendar days from the last date that the cardholder expected to receive the merchandise or services ...”

In order to pursue a chargeback the bank needs information about the transaction and details of what happened. It also needs some supporting evidence. This is why it wrote to Mr D on 5 March as follows:

“In order to be able to progress with your case it is a requirement that you should have attempted to resolve the matter directly with the merchant first. Along with evidence of this we require the following:

- *A cover letter containing the following;*
 - o A description of your dispute in sufficient detail for all parties to understand.*
 - o If you authorised one transaction but not the others, please state this.*
- *Emails/proof of contact with merchant.*
- *Receipts/invoices.”*

Mr D did not provide an answer until after the 120 day deadline which meant Metro was unable to pursue a chargeback. I cannot see how it did anything wrong in the handling of the chargeback. I appreciate Mr D considers it had all the information, but I cannot see evidence in support of that. It was aware he disputed the transaction, but it did not have the relevant documentary evidence to support the claim.

I appreciate that Metro sent Mr D a communication by means which he had not requested. I consider the offer of £35 in compensation for this is more than fair.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr D to accept or reject my decision before 26 May 2025.

Ivor Graham
Ombudsman