

The complaint

Mr G complains that Lloyds Bank PLC rejected his chargeback claim.

What happened

Mr G purchased an item for £1,499.99 from an online marketplace using his Lloyds debit card.

Mr G received a package from the merchant on 26 April 2024, but he says that when he opened the package, it contained a brick and not the item he had purchased. Mr G attempted to resolve the matter directly with the merchant via the online marketplace, but this was unsuccessful. So, Mr G contacted Lloyds on 13 May 2024 and asked them to raise a chargeback.

Lloyds temporarily credited the money back to Mr G's account but ultimately the chargeback was defended by the merchant and so the money was later re-debited from Mr G's account. Mr G was unhappy with the outcome of the claim and complained.

Lloyds looked into Mr G's complaint but said whilst they had considered all of Mr G's evidence, they couldn't authenticate or substantiate it and so they were persuaded by the evidence provided by the merchant and the chargeback claim had been fairly closed. As Mr G remained unhappy, he brought his complaint to our service.

Our investigator didn't uphold the complaint and considered that Lloyds had acted within the chargeback rules laid out by the card scheme.

Mr G didn't agree and didn't think that his evidence – in particular a video of him opening the package – had been fairly considered. As Mr G remains unhappy the complaint has 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.

Having done so, I've reached the same conclusion as our investigator for broadly the same reasons. I appreciate this will be disappointing for Mr G, but I've outlined my reasoning below.

The chargeback scheme is a voluntary one which allows a consumer to ask for a transaction to be refunded in certain situations. Examples of which include – as in this case – where goods or services aren't provided or where goods or services aren't as described.

There's no automatic right to a chargeback and the scheme doesn't give a consumer any legal rights. Chargebacks aren't a guaranteed method of getting a refund as they can be refuted by the merchant. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect a financial business to raise a chargeback. There's no dispute that Lloyds did so on

this occasion and provided Mr G with a temporary refund for the item on 29 May 2024 while awaiting a response from the merchant's bank.

I'm satisfied Lloyds fairly submitted a claim through the Visa scheme chargeback process, providing Mr G's details about the dispute. I don't have a complete list of everything that Lloyds provided to the card scheme but even if Lloyds didn't send on everything they had received from Mr G, I don't think this automatically means they got something wrong in their handling of the claim. The card scheme sets the rules about how the chargeback process works when the goods provided were not as described, the supporting evidence they ask for is an explanation of what was not as described, along with factual information such as the date of receipt of goods. So, it seems that Lloyds provided what was required in this particular chargeback process.

However, the chargeback was strongly contested by the merchant stating they had delivered the correct goods, but that Mr G had returned a brick to them. The merchant therefore challenged the chargeback and provided evidence which meant its bank refuted the chargeback request and Lloyds then decided not to pursue the claim further.

Lloyds explained this to Mr G, but he continued to dispute the transaction and stressed that he had provided a video of him opening the package which contained a brick.

Lloyds explained Visa doesn't allow video evidence to be submitted in the chargeback process and asked Mr G to provide any evidence in a different format eg. PDF/JPG images. As Mr G didn't provide any further evidence in this format by the deadline given, Lloyds re-debited the transaction to his account and emailed Mr G soon after to confirm they wouldn't be taking the claim any further and suggested Mr G could continue to try to resolve the dispute directly with the merchant.

Where the merchant refutes a chargeback, the bank that submitted the chargeback claim doesn't have to carry out a detailed investigation into what happened to decide which party deserves the money. In fact, most banks won't take a chargeback further even if it is defended. In this particular case, I'm satisfied that Lloyds considered Mr G's evidence, including the video, but ultimately couldn't authenticate it and as no further information was provided, I consider Lloyds acted fairly and promptly in not pursuing the matter further.

Having considered everything that's been provided by the parties, I'm satisfied Lloyds didn't make an error in their handling of Mr G's refund request. The bank progressed the matter promptly and, overall, I don't think they treated Mr G unfairly. So, I can't instruct them to refund the transaction.

My final decision

For the reasons I've set out, 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 G to accept or reject my decision before 8 January 2025.

Laura Davies
Ombudsman