

The complaint

Ms D complains about how NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY handled her chargeback dispute.

What happened

In July 2024, Ms D paid two separate amounts to a travel agent who I'll refer to as "B". Ms D paid B a total of £500; the first transaction was for £200, and the second for £300. The money was paid as deposits to secure some flights as part of a travel package.

Ms D has explained that shortly after the initial booking, she'd found flights she preferred; so, via B, she booked those too. After that, Ms D says she found cheaper flights herself by looking online; she queried this with B. As I understand it, Ms D says she was told, by B, that it would refund the £200 she'd paid for the initial flights she'd booked. B, though, didn't refund Ms D anything.

Ms D approached NatWest for help in raising a chargeback. She'd complained directly to B but hadn't been successful in reaching a resolution, and she asked her bank to reclaim the disputed amount for her. NatWest considered Ms D's chargeback claim and raised a dispute, but after receiving further information from B the bank didn't agree to pursue it.

That's because Ms D hadn't provided evidence to show that she was entitled to refund of her deposit; instead, B's terms suggested that all deposits were non-refundable. In such circumstances, a chargeback couldn't be successful given the limitations in the card scheme rules. Ms D was unhappy, so she complained.

NatWest issued its final response letter in August 2024 and, within it, reiterated how it was unable to proceed with a chargeback in Ms D's scenario. It did, though, acknowledge that some of the service it had provided could've been better; specifically, during a call with one of its agents, Ms D had been given some incorrect information. NatWest paid Ms D £100 compensation to reflect the poor service it had provided.

Ms D approached this Service for an independent review. She remained unhappy that NatWest wouldn't pursue a chargeback. An Investigator here looked at what had happened; having done so, they didn't think NatWest need do anything more.

In summary, the Investigator said:

- It wasn't entirely clear whether Ms D had attempted a chargeback for just one, or both, of the deposits she'd paid to B. Nonetheless, B had defended either amount in the dispute by pointing to its terms, which demonstrated how deposits were non-refundable.
- In these circumstances, a chargeback couldn't be successful. That's because the relevant card scheme rules required evidence to support a refund is due; such

evidence wasn't available.

- NatWest itself wasn't responsible for the rules which applied, that was the card scheme. All NatWest could do is review what had happened and determine whether to pursue a chargeback or not. Here, it had made a reasonable decision not to proceed.
- In terms of the level of service provided by NatWest, it was right that compensation be awarded to recognise the misinformation Ms D received over the phone; £100, in the circumstances, was enough.
- With all of that in mind, the bank didn't need to take any further action and hadn't acted unfairly or unreasonably.

Ms D disagreed, and she requested an Ombudsman's review. So, as no agreement has been reached, Ms D's 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.

At the outset, I should emphasise that my remit here isn't to address the service provided by B – or indeed Ms D's complaint against it. Instead, my review considers how NatWest dealt with the chargeback dispute Ms D brought to it. I'll also add, to be clear, that it's important to note how NatWest had no discretion over whether this chargeback dispute was successful; it's obliged to follow the chargeback rules of the relevant card scheme – which, in this case, is Mastercard.

It's considered good practice for a card issuer to attempt a chargeback where the right exists and there's some prospect of success. That said, the unique circumstances of a dispute means it won't always be appropriate to raise or pursue a chargeback. The rules set by the relevant card scheme, which I referred to above, specify certain grounds and conditions, and if these aren't met then a chargeback is unlikely to succeed.

Additionally, a chargeback can be defended by the party that received payment – generally known as the 'merchant'. Here, that's B. Ultimately, the card scheme itself can be asked to rule on the dispute – in a process called arbitration – should neither the consumer nor the merchant concede.

Ms D is essentially saying she cancelled a service provided by her travel agent, B, and was told she'd receive a refund. A refund, however, didn't materialise. In that scenario I think a chargeback could be attempted, so NatWest was right to try and assist. But with that said, having checked what the chargeback rules set out, as well as reading B's terms and conditions – and its response to the chargeback dispute – I'm satisfied that a chargeback in these circumstances was very unlikely to succeed.

Primarily, that's because Mastercard's rules require evidence to support a refund being due; here, though, such evidence isn't available. Instead, while I don't doubt Ms D's recollection of events, B's defence of the chargeback suitably demonstrated how it has a no-refund policy for deposits. More specifically, B pointed to its terms and conditions which explain deposits are retained in the event of cancellation. B also showed how Ms D's booking confirmation emails support that position too. In those emails B very clearly sets out:

“Deposit paid: Stays Non refundable in case of cancellation”

I think, with that in mind, there's no real chance a chargeback would be successful, giving NatWest little scope to get Ms D's money back – either the initial £200 deposit alone, or that *and* the second £300 deposit, if indeed that's what Ms D was trying to recoup. That will, no doubt, disappoint Ms D; she's told of how B said she'd receive a refund of her initial deposit, and it's clear she's very unhappy with the service it provided. As I've said, though, I'm unable to consider any of B's actions here. All I can focus on is NatWest and, for the reasons I've explained, I don't find the bank acted unfairly or unreasonably in not pursuing a chargeback in these circumstances.

That aside, I do think NatWest could've provided Ms D better general service. I've listened to the telephone conversation Ms D had with one of its agents, and I can surely understand how Ms D was left with the impression that she would be getting her money back. That, unfortunately, wasn't accurate; it no doubt created some sense of expectation and, consequently, disappointment – as well as some distress and inconvenience – when the true position was revealed.

I was pleased to note, though, that any such distress and inconvenience was relatively short-lived. NatWest clarified its position fairly quickly so, to that end, I find the £100 already paid to Ms D adequately compensates her for the poor level of service she first received.

In closing, I am sorry to hear of the issues Ms D has faced here – and I know this isn't the outcome she'll want to receive. But it's for the reasons I've set out that I don't find NatWest has treated her unfairly; it follows that I don't require NatWest to take any further action.

My final decision

My final decision is that I don't uphold Ms D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 28 May 2025.

Simon Louth
Ombudsman