

## **The complaint**

Mrs J complains that Starling Bank Limited has not provided her with a refund of a card payment made for services which were not supplied.

## **What happened**

In May 2024 Mrs J made a debit card payment of over £200 to a business which I'll call "R". R provides travel services, including visa services, and Mrs R made the payment so that it could assist with her husband's visa application to visit the UAE.

R said that the application had been unsuccessful because of travel restrictions which applied to individuals of her husband's nationality. Mrs J believed however that R had not in fact submitted an application; it had simply produced documents to make it appear it had done so. She noted that much of the information which would usually be required (including, for example, travel dates) had not been requested, and that R had not provided her with all of the documents she would have expected to see. In bringing this complaint, Mrs J has noted discrepancies between the documents produced for this application and those produced when she and her husband have made both earlier and subsequent visa applications.

Mrs J raised a dispute with Starling Bank, and it raised a chargeback claim on the grounds that the service had not been provided. R challenged that request, saying that it had explained that there was only a 50% chance of the visa application succeeding and that the payment was not refundable.

Starling Bank chose not to pursue the matter further. It did however accept that the claim could have been raised on the basis that the services provided were not as described, rather than on the basis that they had not been provided. It paid Mrs J £50 in recognition of that but did not agree to the refund which Mrs J was seeking.

Mrs J referred the matter to this service, where one of our investigators considered what had happened. She thought that Starling Bank's handling of the matter had been reasonable and did not recommend that it do any more to resolve the complaint. Mrs J did not accept that assessment and asked that an ombudsman review the case.

## **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.

Where goods or services are paid for with a debit or credit card and a dispute arises, it is often possible to resolve that dispute through the chargeback process. Chargeback is a scheme run by the card schemes (in most cases, Mastercard or Visa). A card issuer (here, Starling Bank) 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 delivered. 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, Starling Bank raised a chargeback on the grounds that the services had not been supplied. I think that was reasonable, based on what Mrs J had said about R's actions (or lack of action). But I accept that there is also a case for saying the correct reason would have been that the services were not as described. However, I am not persuaded it would have made any real difference to the outcome. It seems likely that R's response would have been much the same – namely to say that there was no guarantee that a visa would be issued and that the payment was not refundable.

Of course, Mrs J's allegation here is that R simply took her money but provided no service at all; it produced some documents to make it appear as if it had done some work, but they were not genuine. She has provided evidence which she says supports her case, and I agree that some of it might merit further investigation in a different context.

However, chargeback is – as I have indicated – primarily a means of resolving issues arising from payment settlements. I would not usually expect it to lead to detailed or forensic examination of any underlying dispute between the merchant and the customer. In the circumstances, I think it was reasonable of Starling Bank to take the view that it should not pursue the chargeback claim any further than it did.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 5 May 2025.

Mike Ingram  
**Ombudsman**