

The complaint

Mr E complains that Citibank UK Limited (“Citibank”) did not properly pursue a chargeback on his behalf.

What happened

On 22 March 2024 Mr E paid £10,000 from his Citibank account using his debit card to a regulated online broker with a UK banking licence. On 22 May he contacted Citibank to dispute the transaction. It says he told the bank that he had not received the services he had paid for. The matter was passed to Citibank’s chargeback team and it contacted Mr E on 31 May for more information. The bank says that: *“He explained that he deposited the money to [the broker] for the promise to invest it, but it never happened and he did not receive any service on 19 April 2024.”*

Citibank says it made further checks and submitted a chargeback on the basis that the goods or services had not been received. The broker challenged the chargeback and said Mr E had deposited funds and made a series of high-risk investments. It also said that he had signed the broker’s terms and conditions of business. It added that it provided an execution only service and did not provide advisory services.

Citibank decided that there was no realistic basis for taking the chargeback further. Mr E did not agree and complained that he had not been provided the opportunity to dispute the broker’s rebuttal. Citibank rejected Mr E’s complaint and so he brought a complaint to this service. It was considered by one of our investigators who didn’t recommend it be upheld.

Mr E didn’t agree and said that Citibank had used the wrong code when submitting the chargeback. It had used that dealing with goods or services not provided, but Mr E felt it should have used the code dealing with goods or services not as described or defective. He also said that the bank had failed to let him submit evidence and his signature. Mr E said he had done many chargebacks before and he had always been offered the opportunity to explain his reasons in his own words. Citibank asked if Mr E had any additional valid proof in support of his claim.

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.

I have every sympathy with Mr E, but I do not consider I can uphold his complaint. I will explain why.

Firstly, I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

I take account of law and regulations, regulators’ rules, guidance and standards, and codes

of practice and good industry practice, when I make my decision as to what is fair and reasonable.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes informally.

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, in this case Mastercard.

I sought further clarification from Citibank about its chargeback process and it confirmed that it relied on Mr E's verbal declaration in line with its standard procedures. I asked Mr E if he had any additional evidence or documentation in support of his claim. He sent me a copy of his initial response to our investigator's view.

It is not for me to determine the process Citibank uses in its handling of chargeback requests. That is a commercial decision for the bank and not one with which I can interfere. However, I can consider whether the bank has applied the rules correctly and conducted the chargeback process in a competent manner.

Citibank relied on the initial call from Mr E to raise his query with its chargeback team. It then called Mr E for clarification. It used the information he had provided to raise the chargeback. It did not require him to provide a written claim, but I have seen no evidence to show that Mr E was prevented from putting something in writing. I asked Mr E if he could let me have additional documentation or evidence in support of his claim, but he did not provide any such material. So I am not persuaded that him submitting a claim in writing would have made a significant difference to the outcome of his claim.

I have considered whether the alternative code of goods and services not as described or defective would have made any difference to the outcome of the claim. Having read the merchant's defence I am satisfied that it would have rejected the chargeback. Mr E submitted a note on his view of the merchant's trading practices and said it did not accord with the terms and conditions under which it claimed to operate.

Having read the document signed by Mr E when opening the account I am satisfied that he was made aware of the terms and conditions. The account was execution only and the merchant has explained that it only handles trades at the client's initiative. I cannot see that it failed to do as it agreed. More importantly I do not consider it likely the chargeback would have succeeded whichever code was used.

In summary, chargeback is a voluntary procedure and the bank relied on what it was told by Mr E in making the chargeback. Once the merchant challenged the chargeback I do not see that Citibank had any reason to pursue it further. So while I appreciate Mr E's disappointment I cannot say the bank did nothing materially wrong in its handling of his claim.

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 E to accept or reject my decision before 30 May 2025.

Ivor Graham
Ombudsman