

## **The complaint**

Miss F complains Metro Bank PLC didn't do enough to help get a refund for two purchases made on her debit card.

## **What happened**

Miss F made a purchase online in August 2023 paying with her Metro Bank debit card. Miss F says she was incorrectly charged twice and ultimately never received the goods from the seller.

Having been unable to resolve the issue with the seller, Miss F contacted Metro Bank for help in getting her money back in September 2023. Metro Bank wrote to Miss F the same day saying it needed further information to assist with the dispute. Having received no response, it sent another letter in October 2023. Following this, Metro Bank closed Miss F's dispute.

In January 2024, Miss F submitted evidence to support her dispute. However, Metro Bank said Miss F was now out of time, so it couldn't assist further. Miss F submitted further information in April 2024 with Metro Bank maintaining it was now too late to dispute the transactions.

Miss F complained. Metro Bank didn't agree it had done anything wrong. It reiterated that it had asked for information in September 2023, and didn't receive anything until January 2024. It said there were set time limits to dispute a transaction and as Miss F hadn't responded in time, it had closed her claim.

Unhappy with Metro Bank's response, Miss F referred her concerns to our service. One of our Investigators looked into what had happened. For the first transaction, he didn't think Metro Bank had done anything wrong. He said that when there's a dispute about goods not being received, a customer needs to provide evidence and there's a set timeframe to do this, which Miss F hadn't met. However, in relation to the second transaction, the Investigator thought Metro Bank could have done more to help. He said that as Miss F was stating this was a duplicated payment, her testimony alone would have been sufficient for Metro Bank to help further. So, he recommended Metro Bank compensate Miss F the value of this transaction, being £31.53, alongside interest.

Metro Bank accepted the Investigators findings, however Miss F disagreed. She said that a number of personal challenges meant she wasn't able to respond to Metro Bank sooner, so the fair thing would be to refund both transactions. As the matter couldn't be resolved, it's 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.

In this complaint I'm looking at the actions of Metro Bank and whether it acted fairly and reasonably in the way it handled Miss F's request for help in getting her money back. This

will take into account the circumstances of the disputes as well as considering the card scheme rules, which Metro Bank must follow and its own obligations.

Miss F paid for the transactions using her debit card. This meant the only realistic option available to Metro Bank to get the money back was to engage with a process known as chargeback.

The chargeback process provides a way for Metro Bank to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the seller and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme (Mastercard) and if these are not met, a chargeback is unlikely to succeed.

### *First transaction*

The card scheme rules set out reason codes under which a chargeback can be raised, the most applicable for Miss F's dispute is *"Goods or Services Not Provided"* or *"Credit not processed"*.

Within the reason codes, the scheme rules set out requirements for each chargeback, such as the evidence required for a dispute to be raised and time limits in which this must occur.

The information Metro Bank asked Miss F to provide in September and October 2023, is in line with what the card scheme rules require for a chargeback to be raised. So, I don't think it was unreasonable for Metro Bank to ask for this and not take any further action without it.

Miss F did submit evidence in January 2024, however Metro Bank said by this point it was too late for it to help further. Miss F has explained there were a number of factors for why she hadn't been able to respond sooner, which she's also shared with our service. I'd like to thank Miss F for being so open and I'm sorry to hear of the challenges she's faced.

However, in this complaint, I'm only able to comment on the actions of Metro Bank. In relation to chargebacks it doesn't set the time limits, rather is bound to follow the rules set by the card scheme provider. The scheme rules set a timeframe for a chargeback with the relevant evidence to be raised within 120 days of the date of the transaction or a refund being agreed.

Taking the latest date of 4 September 2023, when Miss F received an email from the seller saying it would process a refund, Miss F first submitted evidence on 17 January 2024. So more than 120 days had passed, meaning the opportunity to raise a chargeback had also passed.

As a result, while I'm sorry to hear of the difficulties Miss F has personally endured, I don't think Metro Bank was wrong not to raise a chargeback for the first transaction. Metro Bank asked for reasonable evidence to support this dispute, and while Miss F did provide this, unfortunately it was outside the applicable time limits, meaning Metro Bank was unable to challenge the transaction through the chargeback process.

### *Second transaction*

Following our Investigators opinion, Metro Bank agreed to compensate Miss F the value of the second transaction, alongside 8% interest. This was in recognition that it could have raised this dispute based on the payment being duplicated.

In line with our approach to compensation, the 8% interest is to recognise the time Miss F has been without the funds and is to be calculated from 27 September 2023, when the chargeback could have been raised, to the date of Metro Bank making settlement.

As all parties have agreed on the remedy to the second transaction, I haven't needed to review this further.

### *Conclusion*

In conclusion, while I appreciate this may not be the answer Miss F is hoping for, I'm upholding her complaint in part. I don't think Metro Bank was wrong not to raise a chargeback on the first transaction as it didn't receive the necessary information in time. However, as agreed, Metro Bank should compensate Miss F the value of the second transaction.

### **My final decision**

For the reasons set out above, I uphold this complaint in part. I direct Metro Bank to do the following:

- Pay Miss F £31.53 (the value of the second transaction); and
- Pay Miss F 8% interest on this amount from 27 September 2023 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 6 March 2025.

Christopher Convery  
**Ombudsman**