

## **The complaint**

Mr J complains that Starling Bank Limited failed to robustly process his chargeback claim for items he says he returned.

## **What happened**

On 26 April 2024, Mr J says he made a return request for three items he purchased from an online retailer. The retailer instructed Mr J to post the items back via Royal Mail which he says he duly did via two separate parcels. Mr J says Royal Mail confirmed the parcels were successfully delivered on 29 April 2024 at two separate times, however he only received a partial refund of £130 and claims he is still owed £260.

Mr J chased the retailer but he says they closed his account and accused him of abusing their refund policy. Mr J contacted Starling in May 2024 for assistance with raising a chargeback claim on his behalf. Starling says it requested some supporting evidence from Mr J and processed a chargeback claim on his behalf. Mr J was temporarily refunded for the disputed amount whilst Starling awaited a response. In July 2024, Starling contacted Mr J to inform him that the retailer had rejected the chargeback dispute claim as they said only one item was returned to them. Starling subsequently advised Mr J it could no longer assist with his chargeback claim. Mr J complained.

Starling issued its final response on 20 August 2024 and said it did all it could to assist Mr J but would not be refunding his disputed payment.

Mr J referred his complaint to this service.

One of our Investigators looked into things. She didn't find that Starling acted unreasonably by not pursuing Mr J's claim further as she didn't think he provided sufficient evidence that he returned all the items to the retailer.

Mr J didn't agree and therefore the complaint has been passed to me for determination.

## **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 don't uphold this complaint.

Our Investigator correctly highlighted that a chargeback isn't guaranteed to result in a refund. The card scheme (in this case Mastercard) sets the dispute rules. There needs to be a valid dispute ground to enable a card issuer (in this case Starling) to process a chargeback claim.

Chargeback is voluntary and it's at Starling's discretion whether it chooses to process a chargeback claim or not. We would consider it good practice that card issuers process chargeback claims if the rights exist and there is some reasonable prospect of success. If a

chargeback claim is defended, the card issuer may make a second presentment and ultimately take the claim to the card scheme's final stage of arbitration.

In this case, I think Starling acted reasonably in processing a chargeback claim on Mr J's behalf. He alleged that he returned items to the retailer that hadn't been refunded. He provided Royal Mail tracking details that showed two entries on 29 April 2024 stating the item was delivered at 12:31 and 12:44. He also provided further notes from Royal Mail which stated 'potential duplicate item – seen twice at two separate operational units'.

Once the chargeback claim was defended and the retailer claimed that Mr J only returned one item, I don't think Starling had any reasonable grounds to pursue the claim further. In my judgement, the evidence Mr J provided to Starling was insufficient in determining that all the items were posted back to the retailer in separate parcels. For example, the same parcel could have been scanned twice which could have accounted for the notes recorded by Royal Mail.

Mr J provided this service with a receipt evidencing his proof of return, I don't see that this evidence was presented to Starling at the point of his chargeback claim. But I don't think this makes a material difference because, the receipt references an 'item' was returned. Had multiple packages been returned (even if the same QR code was used), I would have expected either two receipts, or one receipt showing two parcels were posted back – along with the weight of each parcel. Mr J's receipt is only sufficient in determining that one package was returned. The retailer claims that it only received one pair of trainers back which is why it refunded Mr J accordingly.

Whilst I appreciate Mr J's strong feeling on this matter, the material evidence he's supplied (his proof of postage) is only sufficient in determining that one, not two parcels were returned.

I therefore cannot reasonably tell Starling to refund Mr J's disputed transaction of £260 as I'm not satisfied all items were returned in two separate packages. I do appreciate that this will likely come as a disappointment to Mr J.

I think Starling processed Mr J's chargeback claim appropriately and I don't find it caused any material delays in communicating its outcome to him as the chargeback rules allows a period of time for claims to be defended.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 1 January 2025.

Dolores Njemanze  
**Ombudsman**