

The complaint

Mr B complains about the way National Westminster Bank plc handled his claim for a refund of a payment made to an immigration consultancy. He says that the services were not delivered and that, because he paid the consultancy in part using his NatWest debit card, he has a claim against the bank.

Because the payment was made from the joint account which Mr B holds with his wife, Mrs K, she is a party to this complaint, but I shall refer to Mr B throughout, since he alone dealt with the immigration consultancy. Also, Mr B has been represented in bringing this complaint, so any references to his arguments and submissions include those made on his behalf.

What happened

In March 2023 Mr B engaged the services of a consultancy, which I'll call "C", to assist him with a proposed application to live and work in Canada. He paid for C's services by a number of different means, including a card payment for USD1,500 (equivalent to £1,292.62) from the joint account with NatWest. The total paid to C was significantly more than that.

Over the following months Mr B completed various forms and provided information to C, including details of his education, work experience, family background, and finances. C used that information to assess which of a range of immigration programmes might be open to Mr B.

Mr B said however that he had not received the services he had paid for. He raised the matter with NatWest. Initially, NatWest said that it could not raise a chargeback claim with C, because it was more than 120 days since the payment had been made. Mr B said that, as the underlying claim concerned the ongoing provision of services, the correct time limit to apply was 540 days. He referred the matter to this service.

While our investigator was considering the case, NatWest reviewed its conclusions about the applicable time limit and agreed to submit a chargeback request. It was able to do so within 540 days of the payment – that is, before the end of August 2024.

C responded to the chargeback claim by defending its position. It provided information about the services it had provided. NatWest decided not to pursue the matter further.

The investigator reviewed what had happened and issued an initial assessment. He did not recommend that the complaint be upheld. He noted that C had provided detailed information and evidence of the services provided. He concluded that pursuing the chargeback further was unlikely to have resulted in a successful outcome for Mr B and that the bank's handling of the matter had been appropriate.

Mr B did not accept the investigator's view 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 this case, Mastercard). A card issuer (here, NatWest) 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 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.

I note what has been said about the time limit which applied to the chargeback in this case. However, because NatWest did submit a request within 540 days of the payment and because C defended the chargeback on its merits, I do not need to decide whether that, or some other limit, was applicable.

C strongly defended the chargeback claim on the merits. It said it had provided the services which Mr B had paid for. Mr B's own evidence shows that he provided C with information relevant to any immigration application and that C reviewed it, provided him with an immigration profile and assessment, and provided information about various Canadian immigration programmes, including identifying which might be suitable for him.

I note that Mr B has said that there was a lack of transparency in C's processes and that it misrepresented the services it said it would provide. However, my role is not to review C's activities or business model; it is to consider the bank's handling of Mr B's claim. None of the points which Mr B has raised about C would, in my view, give rise to a successful chargeback.

In conclusion, therefore, I am satisfied that NatWest's handling of Mr B's claim was reasonable.

My final decision

For these reasons, my final decision is that I do not uphold Mr B's and Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs K to accept or reject my decision before 1 May 2025.

Mike Ingram
Ombudsman