

## **The complaint**

Miss A is unhappy that TSB Bank plc won't reimburse her for a payment she made wherein she never received the goods that she'd paid for.

## **What happened**

Miss A made a payment from her TSB account to a money transfer service from where she made a payment to a merchant for goods. Some time later, Miss A contacted TSB and said that she had never received the goods from the merchant and that the merchant had told her that they had never received the money from the money transfer service. Miss A therefore asked TSB to recover the money from the money transfer service for her.

TSB declined Miss A's request because they felt the only viable means of recovering her money was via a chargeback claim, and because Miss A had brought her request to them too late for a successful claim to be raised as per the relevant chargeback scheme rules.

Miss A disputed that this was the case. But TSB later received confirmation from the money transfer service that they had transferred the payment amount to the merchant in question as per Miss A's instruction.

TSB explained to Miss A that this meant that there wasn't a reasonable chance of her chargeback claim against the money transfer service being successful because she had received the service – the payment of the money to the merchant – that the money transfer service was supposed to provide. And TSB further explained that this meant that they weren't obliged to raise a chargeback request as Miss A would like. Miss A wasn't happy with the service she was receiving from TSB, so she raised a complaint.

TSB responded to Miss A and reiterated their position. Miss A remained dissatisfied, so she referred her complaint to this service. One of our investigators looked at this complaint. But they felt that the position taken by TSB was fair and reasonable and that any dispute that Miss A had regarding the missing money was one which she would need to take up with the merchant directly. Miss A didn't accept the view of this complaint put forward by our investigator, so the matter was escalated to an ombudsman for a final decision.

## **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.

Miss A feels that TSB should have raised a chargeback claim for her against the money transfer service. However, a chargeback claim is a process by which some disputes are resolved between the card issuer, in this case TSB, and merchants to whom a payment has been made.

Chargeback claims are governed by rules set by the card provider – the company whose symbol is on the card. The card provider has an agreement with banks and building societies

as to how its cards are used, and this agreement covers when an attempt at a chargeback can be made. The rules are quite strict, and TSB doesn't have the power to change them.

It's also important to note that a chargeback claim isn't a 'right' that a customer has – it's a voluntary act, and this means that TSB weren't required to ask the card provider for the transaction to be reversed via the chargeback scheme, although it is considered good practice for them to do so, if they think the chargeback claim is likely to succeed.

In this instance, matters are complicated by the fact that Miss A didn't make the payment to the merchant directly from her TBS account. Instead, she paid the money to the money transfer service, and then made the payment to the merchant from the money transfer service. This means that Miss A might only be eligible to receive a reimbursement from the money transfer service if the money transfer service hasn't paid her money to the merchant as she instructed it to do.

However, in this instance the money transfer service has demonstrated that it did forward the payment to the merchant. This means that the merchant does appear to have received the money for the goods that Miss A wanted to buy, and that the money transfer service has fulfilled its obligation to act in accordance with Miss A's payment instruction and so has provided the service that it was expected to provide to Miss A.

The chargeback rules in question here include that a chargeback claim won't be successful if the business potentially being claimed against (the money transfer service) can evidence that it provided the service to the claimant (Miss A) that it was supposed to provide. And, as explained, the money transfer service did provide the service to Miss A that it was supposed to provide. This means that there is no reasonable chance that a chargeback claim against the money transfer service would be successful, which in turn means that TSB are under no obligation to raise such a claim.

All of which isn't to say that Miss A hasn't received the goods that she paid for here. But it is to say that if Miss A hasn't received those goods, I feel her dispute would be a matter that Miss A must resolve directly with the merchant. And TSB can't raise any form of claim against the merchant because Miss A didn't pay the money to the merchant from TSB – she paid it from the money transfer service.

Miss A is also unhappy that TSB considered her to have asked to raise a chargeback claim outside of the timeframe permitted by the chargeback scheme rules. And she has strongly asserted her belief that TSB have failed to act on earlier requests that she put to them.

But TSB have conducted what I'm satisfied is a detailed and thorough check of their systems and can find no earlier contact from Miss A. And I also feel that this is largely a moot point, given that the money transfer service has demonstrated that it provided a service to Miss A by forwarding the money to the merchant, such that it was never going to be the case that TSB were going to raise a chargeback claim for Miss A. Furthermore, I'm satisfied that there were no other viable or reasonable options available to TSB to try to recover Miss A's money for her.

All of which means that I won't be upholding this complaint or instructing TSB to take any further or alternative action here. I note from Miss A's correspondence with this service that she is experiencing particularly difficult personal circumstances, and so I hope that she can recover her money from the merchant in the near future. I also hope that Miss A will understand, given all that I've explained, why I've made the final decision that I have.

**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 Miss A to accept or reject my decision before 13 February 2025.

Paul Cooper  
**Ombudsman**