

The complaint

Mr K complains about the way J.P. Morgan Europe Limited (operating under its Chase brand) handled his claim for a refund of payments made to an immigration consultancy. He says that the services were not delivered and that, because he paid the consultancy in part using his Chase debit card, he has a claim against Chase.

What happened

In or around March 2023 Mr K 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 two card payments from his Chase account, totalling USD3,000, in June 2023. The total cost of C's service was more than USD11,000.

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

Mr K said however that he had not received the service he had paid for. C disputed that and refused to provide any refund. Mr K raised the dispute with Chase. Initially, it said that it could not raise Mr K's claim as a chargeback, because of the time that had passed since he made the payments. Mr K said that, as his complaint concerned services which were to be provided after the payments, the relevant time limit was 540 days, not the 120 days which Chase had applied. He referred the matter to this service.

While our investigator was considering the case, Chase said that it had reviewed its conclusions about chargeback and had submitted a claim. On 30 October 2024 Mr K's account was credited with the two payments. Initially, Chase said that was because C had agreed to make a refund. It later said, however, that C had defended the chargeback claim but that, because it had made errors in handling Mr K's claim, it (that is, Chase) had refunded the payments in any event. It also offered Mr K a further £200 in recognition of the inconvenience to which he had been put.

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, Chase) 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.

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.

Chase appears initially to have taken the view that Mr K's concerns were about the quality of service provided, whereas he said it was that services had not been provided at all. I have mentioned briefly some of the steps which C did take, so it is not the case that it provided nothing – and I don't understand Mr K to suggest that. In the circumstances, I can understand why Chase thought Mr K's complaint was about the quality of the service he had received.

I think it is arguable too whether the correct time limit was 540 days or 120 days from the date of payment. A maximum time limit of 540 days usually applies where services are to be provided in the future and outside the usual limits. But that generally applies where there is a specific event, such as a concert or airline flight, which is to be provided on a known date. In this case, Mr K had paid for ongoing services over a period of months.

Be that as it may, when Chase did submit a chargeback request, C defended it robustly on the merits. In short, it said it had provided the services agreed. There was quite detailed evidence of what it had done. So, even if Chase had submitted a chargeback request immediately on being contacted by Mr K, there is no guarantee it would have been successful.

Chase acknowledged however that it made errors in its handling of Mr K's concerns. I agree that it should have taken greater care in deciding whether his claim was that services had not been provided and what the relevant time limits were – even if it still concluded that it did not agree with Mr K on those issues. And it should have been able to tell Mr K as soon as the refund was made that it, not C, had made it and that it was permanent.

I agree with the investigator, however, that the further payment which Chase has offered is fair and reasonable in the circumstances. I do not propose to award more than that, but I will make a formal award, so that Mr K can enforce it, should he need to do so.

My final decision

For these reasons, my final decision is that, to resolve Mr K's complaint in full, J.P. Morgan Europe Limited should pay him £200. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 April 2025.

Mike Ingram
Ombudsman