

The complaint

Ms H complains Nationwide Building Society didn't do enough to help get a refund for a payment made on her debit card.

What happened

In November 2022, Ms H paid for a swimming event on her Nationwide debit card, for an event taking place in August 2023.

After competing in the event, Ms H complained to the organiser about a number of points, eventually asking for a refund. The matter remained unresolved, so in November 2023, Ms H contacted Nationwide for help in getting her money back.

Nationwide considered the circumstances of Ms H's request, but said it wasn't able to assist as the circumstances of her dispute didn't fall within any of the chargeback reason codes – a process of asking for a refund from the merchant via the card scheme provider – VISA.

Ms H consequently complained to Nationwide, saying she'd been given conflicting advice by advisors on whether her dispute was covered. Ms H asked that Nationwide clearly explain why her claim wasn't covered and if the protection was different to paying on her credit card.

Nationwide didn't agree it had done anything wrong. It said the details of Ms H's dispute didn't meet the necessary criteria for it to assist further. Unhappy with Nationwide's response, Ms H referred her concerns to our service.

One of our Investigators looked into what happened. He didn't think Nationwide was wrong not to raise a chargeback, but thought the reasoning given to Ms H could have been better. He acknowledged there had been some confusion on how Nationwide was able to help, but didn't think this had resulted in a loss, so didn't think Nationwide need do anything further.

Ms H disagreed with our Investigator, saying Nationwide should have raised the chargeback and had it done this, it would have had a reasonable prospect of success, as the event organiser would have wanted to avoid the embarrassment of it being escalated any further. 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.

Chargeback

I'm looking here at the actions of Nationwide and whether it acted fairly and reasonably in the way it handled Ms H's request for help in getting her money back. This will take into account the circumstances of the dispute and how the merchant has acted, but there are also other considerations, such as the card scheme rules, which Nationwide must follow and its own obligations.

Ms H paid for the swimming event using her debit card. This meant the only realistic option available to Nationwide to get her money back was to engage with the process known as chargeback.

The chargeback process provides a way for Nationwide to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the merchant and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme (VISA) and if these are not met, a chargeback is unlikely to succeed. The process provides an opportunity for a merchant to provide a defence to the chargeback and its own evidence in support of that defence. If the supplier continues to defend the chargeback, Nationwide can either accept that defence, if it believes it's valid, or, it can ask the card scheme to decide who gets to keep the money – usually referred to as arbitration.

It isn't a requirement that Nationwide raise a chargeback every time it's asked to. But where the evidence supports the customers position and the dispute falls within the rules set by the card scheme, I'd expect Nationwide to do this, to support its customer.

Nationwide said it didn't raise a chargeback as the circumstances of Ms H's dispute didn't fall within any of the chargeback codes as set out in the card scheme rules. So, I've considered whether this was a fair conclusion for Nationwide to reach.

In reviewing the VISA dispute rules, the most applicable to Ms H's concerns is the reason code "*Not as Described or Defective Merchandise/Services*". So, it could be argued Ms H's dispute did fall within a category. However, this rule then sets out further requirements, including:

The Dispute amount is limited to one of the following:

- *The unused portion of the cancelled service*
- *The value of the merchandise that the Cardholder returned or, if applicable attempted to return*
- *For a Dispute where a travel agency using a VISA Commercial Card Virtual Account...*

So, on this basis, I don't think Nationwide was wrong not to raise a chargeback on behalf of Ms H. I say this because her dispute related to the quality of the service she was provided, being that marshals of the swimming event impaired her race and that there were no refreshments available at the end of the event, amongst other problems. However, under the above reason code, it wouldn't be possible for Nationwide to dispute the quality of the service Ms H received. And I don't think any other reason codes would be applicable to the nature of Ms H's dispute.

So, while I'm sorry to hear of the challenges Ms H experienced while taking part in the swimming event, I don't think Nationwide made an error in not raising the chargeback. As there isn't a chargeback reason through which she could dispute the quality of the services she'd received. So, I don't find Nationwide was wrong not to raise a chargeback.

I note Ms H has referenced other complaints our service has decided. However, my review is limited to the circumstances of Ms H's complaint, so I'm not able to comment on other complaints, however I would note that different card providers and card schemes may have different rules.

Ms H has also set out the losses she associates with the poor service she received at the swimming event. However, as I don't think Nationwide was wrong not to raise the

chargeback, I also don't think it made an error in not asking for this information, as it wasn't able to dispute the transaction on behalf of Ms H.

Service concerns

Ms H has raised concerns that Nationwide didn't provide details of how to raise a complaint, when it said it was declining to raise her chargeback. While I appreciate that answer will have come as a disappointment to Ms H, I don't think it meant Nationwide should assume Ms H would then wish to raise a complaint – particularly as I'm satisfied that it correctly considered her chargeback request.

Having complained to Nationwide, it then responded to Ms H within three weeks, which is within the timescales expected. So, I don't find it made an error on this point.

Ms H has asked for clarity on whether the outcome to her dispute would have been different had she made the payment on her credit card rather than debit card. In its response to her complaint, Nationwide acknowledged that if paying with a credit card there can be different protections, namely Section 75 of the Consumer Credit Act 1974. However, in this complaint, I can only consider whether Nationwide considered the details of Ms H's dispute against the applicable protections of the card the payment was made with. And for the reasons set out above, I'm satisfied Nationwide fairly considered Ms H's dispute against the chargeback rules.

Ms H has also raised concerns that when calling Nationwide before submitting her chargeback claim, advisors may have mismanaged her expectations. I appreciate receiving the answer that Nationwide wouldn't be taking the claim further would have been disappointing to Ms H, particularly as it's clear she'd called for advice before submitting her claim. However, I haven't seen anything to suggest any advisor implied her claim would definitely succeed and it wouldn't be possible for Nationwide to give an answer on the dispute until it had been submitted. And even if they had done, it wouldn't mean Ms H's claim should have succeeded as a result.

In conclusion, while I appreciate this answer may come as a disappointment to Ms H, I don't think Nationwide needs to do anything further in relation to this complaint. For the reasons explained above, I'm satisfied it correctly considered her chargeback claim, however this didn't meet any of the card scheme dispute codes. Ms H has raised concerns about the service she received from Nationwide throughout this process, and while I acknowledge this process has likely been frustrating, I haven't found Nationwide made an error or that it needs to do anything further.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 28 March 2025.

Christopher Convery
Ombudsman