

The complaint

Mr L complains about the way in which The Co-operative Bank Plc handled a chargeback claim in respect of payments made to an online bookmaker.

What happened

Mr L had an account with an online bookmaker, which I'll call "B". In March and April 2024 he made nine payments to his gambling account, totalling £6,200, using his Co-op debit card.

On 4 May 2024 Mr L used B's live betting facility to place a £1,500 bet on a football match. He would win if fewer than three goals were scored in total. At the time Mr L decided to place the bet, two goals had already been scored. Mr L says that his bet took a long time to be confirmed. During that time, a third goal was scored. Immediately after that, Mr L's bet was confirmed; because of the third goal, it was already a losing bet.

Mr L says that this shows that B's website does not function as it should. He complained to B about what had happened and then referred the matter to Co-op. He asked the bank to submit a chargeback request in respect of all the payments he had made to B.

Co-op submitted a chargeback request, but it was declined by B. Co-op considered that B had submitted sufficient documentation that it would not be appropriate to pursue the chargeback to arbitration, so declined to take matters any further. Co-op did acknowledge that it had taken longer than it should have done to address Mr L's concerns, and it paid him £25 in recognition of that.

Mr L referred the issue to this service, along with a complaint about chargebacks to a second online bookmaker. That part of his complaint has been resolved, so our investigator considered only the bank's actions in respect of the chargeback claim against B. The investigator considered however that Co-op had acted fairly and did not recommend that Mr L's complaint be upheld. Mr L did not accept the investigator's assessment and asked that an ombudsman review the case.

I did that and issued a provisional decision in which I said:

Where goods or services are paid for with a debit or credit card and a dispute arises, it is sometimes possible to resolve that dispute through the chargeback process. Chargeback is a scheme run by the card schemes (Visa, Mastercard or American Express). A card issuer (here, Co-op) 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.

Mr L's underlying complaint about B is that its website is not fit for purpose, which he says is demonstrated by his experience on 4 May 2024. Chargeback can be used where services are defective. However, I don't believe it was an appropriate way of dealing with Mr L's concerns in this case. The card payments which Mr L made were not directly linked to any bet or bets that he placed. Rather, they were credited to his account with B, which then drew on those funds when Mr L placed a bet. Mr L has not made any complaint about the card payments themselves. It was only when he experienced an issue with placing a bet in May 2024 that he sought refunds of the payments he had made in March and April.

In the circumstances, I think it was reasonable of the bank not to pursue the chargeback claims. Mr L was generally unhappy with B, but there was no issue with the payments themselves.

Even if I were to reach a different view on that point, my overall conclusions would be much the same.

B's evidence shows that Mr L placed his bet three seconds before the third goal was scored. Mr L's recollection is slightly different; he says that he received confirmation that his bet had been accepted shortly after the goal was scored. Of course, both can be true, in that the bet would be placed before Mr L received the confirmation.

Mr L has not said whether he thinks his bet should have been processed sooner (in which case, he would have lost anyway) or that B should have stopped processing it when the third goal was scored. But, given B's detailed evidence about the timings (which indicate that the bet was placed before the third goal), I think it unlikely that a chargeback request would have been successful.

I make no comment on Mr L's dispute with B. He has indicated that he might take that up with the regulator or through court action, or both. I have considered only the bank's handling of the chargeback claim, which I think was reasonable in the circumstances.

Mr L did not accept my provisional findings. As well as repeating some of his earlier submissions, he said, in summary:

- My provisional findings said that the bank had not submitted a chargeback request. That was incorrect.
- The chargeback request had been made in respect of the total of his deposits to B - £6,200. A request in respect of the £1,500 (the amount of the bet in dispute) would have had a better chance of success.

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.

As Mr L has clarified, Co-op did initiate a chargeback in respect of all the sums paid to B. But it then decided, once it had seen B's submissions, not to pursue the matter any further. That is, the bank decided not to seek a ruling from Visa. I think that was a reasonable decision to take in the circumstances.

I have considered too whether Co-op should have submitted a claim in respect of the £1,500 attributable to the disputed bet. Mr L believes that this would have had a greater chance of success.

On that point, it is not at all clear whether a chargeback request could have been submitted in that manner. But, even if it could, and as I indicated in my provisional decision, chargeback is primarily a way of dealing with disputes about payment settlements. In this case, though, there was no single payment or group of payments directly linked to the £1,500 bet. There was in truth no dispute about the payments themselves, all of which were properly credited to Mr L's account with B. I have not changed my view from that expressed in my provisional decision that chargeback was not an appropriate way to deal with Mr L's concerns about B. Co-op initiated the process in order to try to assist him, but – once it was apparent that B would defend its position – Co-op's decision not to take things any further was a reasonable one.

My final decision

For these reasons. My final decision is that I do not uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 8 August 2025.

Mike Ingram

Ombudsman