

The complaint

Mr K complains about a chargeback request that was turned down by Algbra Group Limited (Algbra). He would like the amount claimed refunded.

What happened

The details of this complaint are well known to both parties so I won't repeat these again here, instead I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions: -

- I appreciate Mr K's frustration. He has told us that he bought a phone for £1,399 which, if I have understood him correctly, wasn't the device he thought he purchased. He says the store allowed him extra time to return the phone for a refund but despite returning the phone his chargeback request was declined.
- I should explain that the chargeback scheme is a voluntary scheme governed by a fixed set of rules. Putting a claim forward under this scheme doesn't mean a refund will automatically be made. Merchants have a right to respond to information provided by consumers. In this case Algbra did put forward a chargeback request on Mr K's behalf which I think was the right thing to do.
- The reason Mr K's chargeback claim failed was that the merchant had no evidence that Mr K either was given an extension to return the goods beyond the 14-day deadline he had to do so, or that the goods were returned.
- The only evidence Mr K has provided to show that the merchant agreed to an extension to the 14 days return policy is a handwritten note on his receipt for the phone. I can't be certain it was the merchant who wrote on the note.
- However, if I accept it was the merchant who wrote on the note, the note states 'may come for a return a few days after 14 days. As Mr K had until 8 November 2023 to return the goods, allowing for 'a few days' I would have expected him to return the phone by mid-November at the latest. But the proof of return he provided is dated 22 December 2023 which is considerably more than the 'few days' noted on the receipt.
- As I haven't seen any evidence that Mr K had an open-ended agreement to return the phone at any time I think it's only reasonably to conclude that Mr K was significantly out of time to do so by 22 December 2023.
- The merchant has also told us it has no evidence that it issued a returns label or received the phone back. Mr K has provided a message from the merchant dated 12 December 2023 saying it would send a returns label. So, I am persuaded that the process of issuing a returns label was at the very least set in motion.

- Unfortunately, the information Mr K has provided on the return is contradictory so I don't feel I can rely on it. The label doesn't evidence what was shipped so I can't be sure what was sent under that label. Correspondence from the courier referred to a different date in December, but also confirmed' the package is lost due to logistical complications. This suggests the parcel wasn't delivered contradicting a proof of delivery notification that it was.
- Looking at all the information that I have seen even If I were persuaded Mr K did return the phone in December 2023 he was clearly outside of the standard 14 day returns timescale or the possible few days grace after this to do so. On that basis I think Algbra acted correctly in turning down Mr K's chargeback request as Mr K had not met the merchant's policy on returns. So, I can't reasonably ask Algbra to refund the cost of the phone as Mr K would like.
- I have however noted that Algbra offered Mr K £75 compensation as a gesture of goodwill for any convenience caused. We have checked with Algbra which has confirmed it is still happy to pay this. I think this is a reasonable gesture from Algbra for any inconvenience caused.

My final decision

My final decision is that I uphold this complaint.

In full and final settlement of this claim Algbra Group Limited should pay Mr K £75 compensation for any inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 March 2025.

Bridget Makins
Ombudsman