

## **The complaint**

Mr A complains about the customer service he received from TSB Bank plc, having raised a chargeback for a transaction made on his debit card.

## **What happened**

In June 2024, Mr A bought clothes online, paying with his TSB debit card. When the clothes arrived, he says one of the items was damaged. Mr A contacted the seller, but it declined to provide a refund.

Mr A therefore raised a chargeback with TSB, which is a process of requesting a refund from the seller, via rules set by the card scheme, which is Mastercard in the circumstances. While the dispute was ongoing, TSB provided a temporary credit to Mr A's account of the disputed amount.

The seller defended the chargeback, meaning it didn't agree a refund was due. Considering all the information it had, TSB didn't think it could challenge the dispute further, so closed it in the seller's favour, and re-debited Mr A's account the disputed amount.

Mr A complained. He said TSB hadn't made him aware it was re-debiting the amount, which took him overdrawn. He also says when calling TSB, the advisor was rude.

TSB considered Mr A's complaint and said it had handled his chargeback correctly. It however apologised for any inconvenience caused and offered £35 compensation.

Unhappy with TSB's response, Mr A referred his complaint to our service. One of our Investigators looked into what happened. She said she thought TSB had handled the chargeback in line with the scheme rules and having received a defence from the seller it wasn't wrong to re-debit the transaction. Our Investigator thought TSB's offer of £35 to recognise the shortfall in service it provided was fair in the circumstances, so didn't recommend TSB do anything further.

Mr A disagreed with our Investigators view. He said the basis of his complaint was about the service TSB had provided, not the chargeback and asked for the value of the chargeback to be refunded as a gesture of goodwill. Our Investigator considered this further, but said she considered TSB's offer fair.

As agreement couldn't be reached, the complaint has 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.

Mr A has explained that his complaint is primarily about the service TSB provided. To review this, I've started by considering whether it acted fairly in its handling of Mr A's chargeback request.

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

Mr A paid using his debit card. This meant the only realistic option available to TSB to get his money back was to engage with a process known as chargeback.

The chargeback process provides a way for TSB to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the seller and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme, Mastercard in the circumstances and if these are not met, a chargeback is unlikely to succeed.

Chargebacks are a voluntary scheme and not always guaranteed to succeed. Where a card provider has enough evidence to think a chargeback may have a reasonable prospect of success, I'd expect it to in the first instance raise this on behalf of its customer, to support them in their dispute.

TSB raised a chargeback on behalf of Mr A, so my decision focuses on whether it acted reasonably having received the defence from the seller and the service it provided following this.

The seller defended the chargeback on the basis it hadn't been contacted by Mr A within the timescales set out in its terms and conditions and that the item of clothing had been worn.

TSB emailed Mr A on 6 August 2024, to say the seller had defended the chargeback and what their defence was. It explained that if Mr A wished to dispute the chargeback further, he'd need to contact TSB with further evidence. TSB explained that if it didn't hear from Mr A, it would close the dispute and remove the temporary credit two weeks later.

It would appear Mr A didn't see this email, so first became aware the chargeback hadn't been successful when the temporary credit was removed from his account, taking him overdrawn.

While I appreciate it would have been concerning for Mr A to see the temporary credit had been removed, I think TSB was reasonable in the actions it took. Having received a defence from the seller it would require further evidence from Mr A to challenge this further. Having not received this, it was then reasonable for TSB to close the dispute and remove the temporary credit. I understand Mr A then paid funds into the account a few days later so it wasn't overdrawn.

When aware the temporary credit had been removed from his account, Mr A called TSB for an update on his dispute.

I've listened to that call and agree it could have been handled better. While the advisor was correct in the information they provided, I think they could have done more to help Mr A understand the process and why the amount had been charged back to his account. It wasn't clear that Mr A hadn't received the email of 6 August and had that been established I think Mr A could have been given a clearer explanation on what had happened.

I'm pleased to see TSB has recognised the service it provided could have been better and offered £35 to apologise for this. When considering the complaint as a whole I do think this is reasonable. I say this as for the reasons explained above, I find TSB acted reasonably in its

handling of Mr A's chargeback dispute – however when he called for assistance TSB could have done more to explain why it had taken the steps it had. While I don't think this would have changed the outcome of the chargeback, TSB could have given a better explanation on why it took the steps it did having received the sellers defence.

As a result, I think it's fair TSB pays compensation, and its offer of £35 is a fair resolution to this complaint. So, I won't be recommending TSB pay anything further.

### **My final decision**

TSB Bank plc has already made an offer to pay £35 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that TSB Bank plc should pay £35.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 July 2025.

Christopher Convery  
**Ombudsman**