

## **The complaint**

Ms V complains that Nationwide Building Society treated her unfairly by failing to process a chargeback request leading to the loss of funds.

## **What happened**

Ms V had need of an emergency plumber for her property which is situated in another country. Ms V contacted a local plumber who told her it would cost in the region of 600 euros. Once they arrived at the property, the price changed to around 1,400 euros (£1,230.59) and Ms V was sent a link to pay for the work. After processing the payment, the plumbers appeared to carry out some work (based on the time they were at the premises) and then left. It was later found that water was still leaking.

The following day, another plumber attended the property to deal with the leak and in conversation with Ms V said that they'd been overcharged by the previous plumber.

Ms V attempted to obtain a refund from the original plumbers who declined. Ms V reported the matter to the local police as she believed she'd been defrauded.

Ms V contacted Nationwide to discuss what could be done, including whether they could challenge the payment using the chargeback system.

A 'chargeback' is a way for a debit card provider to reclaim money from the retailer's bank when a consumer doesn't get the goods or services she's paid for, or the goods are faulty or defective. It isn't a legal right and there's no guarantee the card provider will be able to recover the money through chargeback. The process is subject to the rules of the scheme – which, in this case, are set by VISA – and strict time limits apply.

Nationwide assessed the chargeback request and declined to process one. Ms V and Nationwide had numerous exchanges concerning whether Nationwide should or could use the chargeback process.

Ms V argued that she'd been defrauded and Nationwide themselves had referred to their "rogue trader" information in respect of the merchant. Ms V believed Nationwide had ample evidence to process a legitimate chargeback and offered to forego the usual temporary refund to persuade Nationwide to use the chargeback system. Ms V also believed Nationwide were pushing the decision onto the Financial Ombudsman Service and should pay compensation for their handling of the dispute.

Eventually, Ms V complained to Nationwide about their handling of her situation. They reviewed their earlier assessment but didn't change their position although they did acknowledge a minor service issue and offered £25 compensation.

Ms V remained unhappy with Nationwide's handling of the situation and brought her complaint to the Financial Ombudsman Service for an independent review where an investigator was assigned to look into the matter.

Ms V confirmed her position and provided evidence of their discussions with Nationwide and the plumber.

Nationwide provided their file, which in summary said after considering the issue, they didn't have grounds for a successful claim because:

- They couldn't dispute the payment based on the quality of service provided.
- There was no physical evidence to support the claim that the price differed to what was agreed.
- They couldn't treat it as fraud and classed it as a merchant/cardholder dispute.

After reviewing the evidence, the investigator concluded that whilst Nationwide didn't provide the level of service we'd expect of them, they didn't act unfairly when they declined to raise a chargeback as it was unlikely to be successful.

Ms V disagreed with the outcome and asked for a further review of the complaint. She commented (via her representative) that she had no alternative but to make the payment which she considered was done under duress and not authorised. Further arguments were made about the grounds Nationwide could've used and the chargeback would now fail because it's out of time.

As no agreement could be reached, the complaint has now been passed to me for a 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.

I'd like to thank both parties for their patience while this complaint has been considered. I'm also very aware that I've summarised this complaint in far less detail than it may merit. No discourtesy is intended by this. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact the decision I'm making.

The complaint brought by Ms V essentially revolves around an arrangement that was made with an emergency plumber to attend her property. At the time, her property was occupied, so needed to be dealt with quickly. It being Christmas no doubt added to the overall stress of the situation.

From examining the evidence, it's apparent that an initial conversation took place, a price was given which later changed once the plumbers arrived at the property. Ms V has said she felt under duress to accept the new price and she had no choice but to agree to it.

I do have some sympathy for the situation Ms V found herself in here and it was no doubt stressful. The relevant law surrounding authorisations are the Payment Service Regulations 2017 (PSRs). The basic position is that Nationwide can hold Ms V liable for the disputed payment if the evidence suggests that it's more likely than not that she made them or authorised them. The authorisation of the payment doesn't relate to the underlying contract or arrangement.

Here, Ms V agreed to the higher payment after the plumber's arrived at her property. I don't doubt she felt under pressure to pay the money in order fix the leak, but I don't think this could be described as being done under duress. So, for the purposes of this complaint I consider that the payment was authorised and not fraudulent.

Evidence from the chat conversations with the plumber identified that both parties believed the other was wrong. The emergency plumber robustly defended his work, whilst Ms V (and her partner) were equally certain that the work hadn't been completed properly. Nationwide considered the various chargeback reasons they could possibly raise and determined that none of them were likely to be successful. I agree with the overall position they arrived at, but they did confuse matters with their explanations.

So, I'll explain the issues with the potentially applicable chargeback reasons:

- I don't think the matter of whether there was evidence or not of the original price is particularly relevant. The new price (no doubt inflated due to the Christmas period and maybe other factors) was known to Ms V and accepted.
- One reason for a chargeback that's given in the relevant rules is 'Merchandise/Services Not Received'. That could apply here, but there's some evidence to show they were at the property for about 30 mins, so I don't think this would be a particularly effective reason. If there's an argument about the quality of work (which there is here) – that specifically excludes using this chargeback reason.
- A further possible reason is that the services were "Not as Described or Defective Merchandise/Services". Unfortunately, this specific reason is excluded from chargeback claims related to the country where Ms V has her property. In any event, it's not clear that even if the chargeback were raised under this reason that it would be successful given the evidence here.

In respect of the payment of the temporary refund, given that chargebacks are set by VISA and the rules are specific, I don't think the issue of a temporary refund was something that Nationwide had a choice in paying.

But, I think this discussion distracted from the main issue and wasn't particularly helpful for Ms V to better understand the situation. Overall, I don't think it affected the outcome as I'm satisfied Nationwide's decision not to raise a chargeback was a fair and reasonable one. I appreciate Ms V's (and her reps) strength of feeling, but I'm not asking Nationwide to do anything further here.

Ms V was also unhappy that Nationwide appeared to be moving the problem onto our service to deal with. I don't think that's the case here because Nationwide followed their process to consider the chargeback, then investigated Ms V's complaint.

I understand Ms V was concerned that the chargeback time limits would mean they couldn't use it given the likely delays in reviewing their complaint. But, if we'd found that Nationwide had acted unfairly, the chargeback system would have been irrelevant to whether Ms V received a refund. But, as that's not my decision here, I won't be asking Nationwide to make a refund.

I've also thought about the assertion that Ms V was scammed (in respect of references to the plumber being a "rogue trader"). It's difficult to assess what work took place at her property as I've not seen any evidence concerning this. It's apparent (as I've already mentioned) that some work likely took place given the time they were present. I think the overseas nature of the property and the fact that Ms V wasn't present herself added to

the difficulties dealing with this issue. Looking at this matter independently and impartially, I can't be certain if this was just poor workmanship or a more deliberate act.

But, I don't think there's anything about this payment that would have alerted Nationwide to a possible scam. As it was authorised and used a VISA card, apart from the chargeback system, I think there's little Nationwide could have done to protect Ms V.

I've also thought about the strength of the argument presented by Ms V and the plumber. It's apparent from the text exchange that both were equally certain of their own positions. Given this, I think it likely any chargeback would have been defended by the plumber. So, even if I was persuaded that Nationwide should've processed a chargeback, based on the evidence I've seen, it's questionable whether it would have been likely to succeed.

I appreciate this will be an unwelcome message for Ms V, but I don't think that Nationwide failed to assess her situation and I think the small payment for the communication error was appropriate.

I would mention to Nationwide that it's in their customers (and their own) best interests to clearly explain matters, particularly complex issues such as chargeback. I think the confusing messaging here didn't help Ms V understand her options and their service could have been better. Although I do think Ms V would've brought the complaint to our service in any event as she didn't accept Nationwide's decision not to process a chargeback.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 2 March 2025.

David Perry  
**Ombudsman**