

The complaint

Mr T complains that National Westminster Bank (NatWest) didn't do enough to help him when he told it about a dispute he had with a merchant, over goods paid for using his debit card.

What happened

In October 2023 Mr T purchased a car costing £2,500 using his NatWest debit card.

Mr T says the car was purchased with the assurance that it would undertake and pass an MOT before collection. Mr T says he was told this had happened, but he had concerns about the car during his journey home after collection. Shortly after this he took the car to a local garage and has evidenced that the windscreen washer pump was replaced. Mr T says he was told at the time that the car should not have passed the MOT.

Mr T reported the seller to the DVLA and contacted NatWest to raise a chargeback to try to recover the funds. NatWest asked for further evidence including confirmation from the garage that the car wasn't roadworthy. Mr T provided evidence that the windscreen washer pump needed to be replaced shortly after he purchased it and has argued that this should have been sufficient.

Mr T was also asked to provide documentation that he'd made attempts to return the car. He's said he tried to contact the seller via the telephone, but they couldn't hear him and hung up on him on two occasions. He's also said the calls were made from work so he's unable to get the call logs.

NatWest concluded it didn't have sufficient evidence from Mr T to raise a chargeback within the required time frame. Unhappy with how NatWest has handled his chargeback, Mr T referred his complaint to our service. An investigator considered the complaint and agreed that Mr T hadn't provided the evidence needed to support the chargeback. So he concluded that NatWest hadn't acted unfairly by not raising the chargeback. Unhappy with the investigator's opinion, Mr T referred his complaint to an ombudsman for a final decision.

I understand that Mr T has also raised concerns about the service he's received from the Financial Ombudsman Service. This decision will solely be considering his dispute about NatWest's handling of his chargeback claim. Mr T will be contacted separately about his service concerns.

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'm not going to uphold this complaint. I appreciate this will be disappointing for Mr T.

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to

ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, where goods or services are defective, or where goods or services aren't as described. In this particular case the appropriate reason based on Mr T's argument was goods not as described.

There's no automatic right to a chargeback; the chargeback process doesn't give consumers legal rights; and chargeback is not a guaranteed method of getting a refund because chargebacks may be defended by the merchant. This is because the rules, set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to succeed. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. However, I would expect a business to raise one where there is a reasonable prospect of success.

The scheme conditions require the following:

"The cardholder contacted the issuer claiming all of the following:

- *The cardholder engaged in the transaction.*
- *The cardholder contacted the merchant, or attempted to contact the merchant, to resolve the dispute.*
- *Merchant contact is optional when the cardholder is a corporate entity with a contractual relationship with the merchant and the transaction is for an amount in excess of what is specified in the contract. In such event the chargeback may be only for the amount of the excessive charge.*
- *The merchant refused to adjust the price, repair, or replace the goods or other things of value, or issue a credit.*
- *For disputes involving goods: The cardholder returned the goods or informed the merchant the goods were available for pickup.*

And one of the following:

- *When delivered from the merchant, the goods arrived broken or could not be used for the intended purpose.*
- *Goods and services did not conform to their description. Examples include, but are not limited to:*
 - *The cardholder claims that the quality or workmanship of the product is not as described.*
 - *The cardholder claims that the specified color, size, or quantity is not as described.*
- *The merchant did not honor the terms and conditions of the contract with the cardholder including, but not limited to, 100 percent money back guarantee, written promises, or return policy."*

Looking at the information Mr T provided, I can see he's said he tried to contact the merchant but was unsuccessful. However, he's not been able to provide additional evidence of this or details of what was discussed when asked. Mr T has argued that under the rules it's sufficient that he raises these points with NatWest (therefore arguing that it's not a requirement to evidence these points in order for NatWest to raise a chargeback.) Whilst I appreciate Mr T's argument, I still feel it's reasonable for NatWest to ask for supporting evidence to ensure Mr T has taken these steps. NatWest asked Mr T for details of any correspondence between himself and the merchant or if over the phone, details of what was said. In addition, whilst NatWest didn't expressly ask if Mr T had returned the car or made it available for collection, I think by asking for full details of what was either discussed or copies of any correspondence, NatWest was also trying to establish this.

As I've explained above, where a business doesn't think the chargeback has a reasonable prospect of success, it's reasonable that this business doesn't raise the chargeback. Given the circumstances of this complaint, I think that's what has happened here. Mr T hasn't

provided much additional evidence to support his argument that he contacted or attempted to contact the merchant. He has also said he hasn't returned the car and hasn't provided evidence that he made the car available for collection. Furthermore, NatWest continued to ask for an experts report to evidence that the car wasn't roadworthy, however I can't see this was provided.

Whilst I accept Mr T raised his dispute with NatWest within the time frames the scheme operator provided, I'm not persuaded that he demonstrated to NatWest that the claim had a real prospect of success. So I don't think NatWest has treated Mr T unfairly by failing to raise the dispute.

My final decision

For the reasons explained above, I don't uphold Mr T's complaint against National Westminster Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 March 2025.

Claire Lisle
Ombudsman