

The complaint

Miss H complains Nationwide Building Society didn't do enough to help get a refund for a transaction she made using her debit card.

What happened

In August 2024 Miss H purchased a sofa and armchair from a company I'll refer to as F, paying £1,787 using her Nationwide debit card.

On delivery Miss H says she was unhappy with the quality of the items, in summary she said this was because:

- The sofa didn't connect correctly, causing a large gap to appear at the back
- There were scuff marks on the leather
- Velcro was missing, preventing a cover being attached to hide electrical wires.

Miss H says she raised her concerns with the delivery company, but was asked to sign to confirm delivery had been made and told that she should contact F. Miss H then says she attempted to call F over 200 times over the next few days – but there was no answer, and no ability to leave a voicemail. As such, Miss H emailed F on 20 August 2024, explaining she was unhappy.

F responded but said as Miss H hadn't reported her concerns within three days of delivery, they were unable to offer a repair. So, Miss H contacted Nationwide for help.

Nationwide raised a chargeback, which is a means of asking the merchant (F) for a refund via the card scheme provider, Visa in this case. F defended the chargeback, saying they didn't agree a refund was due. Nationwide considered F's defence and concluded there was no reasonable prospect of success in pursuing the chargeback further. Unhappy, Miss H contacted this Service and continued to dispute matters with Nationwide. She raised further concerns about the service she'd received, and said Nationwide hadn't given her a temporary credit when she'd initially asked for a chargeback to be raised on her behalf.

Nationwide issued their final response in October 2024. Within it, they reiterated Miss H hadn't raised her concerns with F within three days and because of this they were satisfied they had done nothing wrong. But said they would submit a second chargeback on Miss H's behalf. They also explained they weren't required to provide a temporary credit, but apologised for using different complaint reference numbers. And for the latter they offered £100 compensation. Nationwide later confirmed the second chargeback had been defended and they weren't pursuing the matter further.

Miss H continued her complaint with this Service. She remained unhappy Nationwide had declined to pursue her chargeback further, saying she'd attempted to call F multiple times without success. And in any case, she'd contacted them within three working days, saying weekends shouldn't count, as they were closed. Among other issues, Miss H didn't think it was fair Nationwide had given her multiple complaint reference numbers, that she'd had to

resend her evidence and also raised concerns Nationwide hadn't given her a temporary credit as she was on benefits – which she considered to be discrimination. Overall Miss H considered F had breached the Consumer Rights Act 2015 (CRA) as she should have 30 days to reject damaged and faulty goods.

An Investigator here reviewed matters, but concluded Nationwide had acted reasonably. In summary they said:

- Miss H hadn't raised her concerns with F within time or by email, as set out in the terms and conditions. As such, Nationwide hadn't acted unfairly in not pursuing her chargeback further.
- Nationwide weren't required to provide a temporary credit and they'd not seen evidence this was a result of Miss H receiving benefits
- As this complaint was about the actions of Nationwide – not F – the CRA wasn't relevant
- Overall, £100 was fair compensation for the customer service Miss H received.

Miss H disagreed and requested an Ombudsman's review. So, as no agreement has been reached Miss H's 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.

At the outset I think it would be helpful to explain, in this decision I'm only able to consider how Nationwide handled the dispute Miss H raised with them. I'm not able to consider the actions of F, as this isn't within the jurisdiction of this Service for these types of complaints.

I realise I've summarised this complaint in less detail than both parties. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean I've not considered everything both parties have said.

Chargeback

Chargeback allows for a request of a refund to be made of money paid with a plastic card in certain scenarios, such as when goods are defective. I'm looking here at the actions of Nationwide and whether they acted fairly and reasonably in the way they handled Miss H's request for help in getting her money back. This will take into account the circumstances of the dispute and how F has acted, but there are other considerations, such as the card scheme rules, which Nationwide must follow and its own obligations.

Chargebacks are not guaranteed to succeed, the recipient of the funds (F in this case) can choose to challenge or defend a chargeback if it doesn't think it is valid. But I would expect Nationwide to attempt a chargeback if there was a reasonable prospect of success, as it did here. If a chargeback is challenged by the other side to the dispute, I would expect Nationwide to look carefully at the submissions made by the other side and make a decision on whether to continue pursuing the chargeback. I would not expect Nationwide to pursue it further if the submissions showed it no longer had a reasonable prospect of success.

In this case Nationwide did attempt a chargeback, under the Visa reason code "*Not as Described or Defective*". But it was defended by F who, in summary said the goods were provided as described, in a satisfactory condition, and there was no damage. This gave Nationwide the option of dropping the chargeback or persevering with it. Here Nationwide

chose to continue to challenge the chargeback, through a process known as pre-arbitration. But F continued to defend the chargeback. In response they noted Miss H had raised her dispute with them too late, as per the terms and conditions which she'd signed. They also provided evidence of the delivery note and an image of the goods on delivery. So they didn't consider a refund was due.

In this case, Nationwide did as I'd expect and pursued the chargeback under reason code *"Not as Described or Defective"*. This seems reasonable as Miss H says the items she received were damaged, didn't join together correctly and had missing parts – essentially she was complaining they were defective.

This rule required Miss H to attempt to resolve the dispute with F first, which she did. But F relied on their terms to say she had not raised the issue in time, so didn't agree to provide a refund. So I'm satisfied Nationwide acted correctly in attempting to pursue the chargeback initially. As F's response was that the goods were delivered in a satisfactory condition, without damage – which was in opposition to what Miss H said, I also think Nationwide were right to continue to challenge the chargeback to pre-arbitration.

However, the rules also say a dispute would not be successful if the dispute is invalid. Here F provided evidence of the terms Miss H agreed to meant she had raised her concerns about quality too late. These state:

"6.3 If the goods are found to be either damaged or defective in any way at the time of delivery, you must contact the customer service department immediately (please see details below)

6.4 Any shortage/damages must be reported within 3 days,"

The terms then go on to say:

"9.2 For queries regarding damaged/defective goods please send an email with your invoice number and supporting images to [email address of F]"

Miss H agreed to these terms when placing the order with F. I appreciate Miss H says she called F around 200 times in the days immediately following delivery – but was unable to get through. While I've not seen evidence of this, I've no reason to doubt what Miss H says. But ultimately, the terms are clear that damage needs to be reported within three days, by email and this didn't happen.

Although Miss H says she first sent an email on 19 August, the evidence I've seen suggests she first emailed F on 20 August 2024, raising her concerns about the delivery. But either way this was more than 3 days after the items had been delivered, on 14 August 2024. While Miss H considers the weekend should be discounted, I can't agree. The terms say *"within 3 days"* rather than weekdays or even business days – so outside the requirements of the terms and conditions. As such, I don't think Nationwide acted unfairly in not pursuing the chargeback any further than they did.

Additionally, Miss H signed to confirm delivery – this said:

"I have examined the goods delivered to my property and confirm that there is no visible damage to them and confirm that the goods are in satisfactory condition. I confirm that there is no damage to the property following the delivery of the goods"

Miss H says she was told by the delivery company she was signing to confirm delivery had been made and she would need to raise any issues with F. I can understand why Miss H

may have thought this – as this is what she was told – but as she then didn't raise her concerns with F in the way she needed to, she missed the cut off to dispute this, as I've explained above.

Miss H has also said the images taken by the delivery company didn't show the back of the sofa, where the damage was, but ultimately I don't think this changes the outcome here – as she was still required to raise her concerns by email, within three days – which she didn't do.

I can see that while it didn't do so initially, F have since offered Miss H the opportunity to have the item repaired, but she's chosen not to do so. But I think this would also mean Nationwide were right not to pursue the chargeback claim any further, as under the Visa rules, it also explains that a dispute wouldn't be successful if there was evidence of ongoing negotiations between the parties to resolve the dispute.

I've not seen evidence that Nationwide gave Miss H the opportunity to provide further evidence for pre-arbitration, such as evidence from a third party supporting her claim the items were defective, so I've thought about whether that would change the outcome here. But even if she'd provided this, I don't think the outcome of the chargeback would have been different. That's because she didn't raise her concerns with F, within the time limits set out in the terms and conditions.

While Miss H has also raised concerns about her rights under the CRA, these aren't relevant here. That's because as explained, I can only consider how Nationwide handled Miss H's chargeback claim and chargebacks aren't subject to the CRA – only the rules set by Visa. As a result, I don't think Nationwide have acted unfairly in declining to pursue Miss H's chargeback claim further than they did.

Temporary credit

Miss H has also complained Nationwide didn't provide a temporary credit when investigating her chargeback claim. She's pointed to Nationwide's website which says:

"If we accept a Visa dispute, we'll get your money back into your account within 3-5 working days"

While a card provider may typically provide a temporary credit when raising a chargeback, there's no requirement within Visa's rules to do so. Here, Nationwide didn't accept Miss H's chargeback claim, so I can't agree the guidance on their website is incorrect or means Miss H was entitled to temporary credit.

Miss H considers Nationwide chose not to provide a temporary credit due to her receiving benefits which she considers to be discrimination. I've not seen anything to suggest this was the case. In fact, Nationwide have said this decision was due to the amount of money being claimed. That seems both fair and reasonable, and in line with what I'd expect a card provider to do. Because, as our Investigator explained, if the chargeback was unsuccessful, as was the case here, they'd need to re-debit the funds from Miss H's account, potentially causing significant financial difficulty for Miss H. And ultimately, Miss H's chargeback claim wasn't successful – so she wasn't entitled to the funds in any case.

Customer service

Miss H has questioned why she was asked to provide the same information on more than one occasion. It seems in August 2024, Nationwide initially told Miss H they were unable to progress her chargeback, based on the evidence she'd provided. But after she disputed this

they agreed to look at the matter again and requested further information in September 2024. At which point Nationwide appear to have raised a chargeback with F.

It's not entirely clear why Nationwide did this but based on what I've seen I think it's more likely than not, it was because up to this point, Miss H had only completed an online form – so Nationwide were providing her the opportunity to explain in more detail what had happened – this seems reasonable.

I appreciate it would have been helpful for Nationwide to explain clearly why they were asking for this information but ultimately, even on further submission, Miss H's claim was unsuccessful. And for the reasons explained above, I don't think this was unfair, so it follows Nationwide didn't act unfairly in giving Miss H the opportunity to provide more detailed evidence.

The above aside, I do think Nationwide could have been clearer when communicating with Miss H. They provided three different reference numbers, which was understandably confusing and would have compounded Miss H's distress at what was already a difficult time, so she should be compensated for that.

In closing, I'm sorry to hear of the issues Miss H has faced here – and I know this isn't the outcome she'll want to receive. But based on what I've seen I think Nationwide did what was expected in the chargeback process. It raised the chargeback on Miss H's behalf, and pursued this to pre-arbitration, but as it was defended by F who set out that Miss H hadn't complied with the terms and conditions on notifying them of any issue. Nationwide didn't have the means to challenge the transaction further against the chargeback rules. So I think Nationwide was reasonable to accept F's defence. And while they didn't provide a temporary credit, Miss H wasn't impacted as a result because the chargeback wasn't successful in any case.

However I do think Nationwide caused Miss H confusion – as well as some distress and inconvenience – in using different reference numbers. But for the reasons explained, I think the £100 Nationwide has already offered is sufficient to apologise for this. So in resolution I think Nationwide should pay Miss H £100, if they haven't done so already.

My final decision

For the reasons explained above I uphold this complaint and ask Nationwide Building Society to pay Miss H £100, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 16 June 2025.

Victoria Cheyne
Ombudsman