

## **The complaint**

Mr B complained about how Clydesdale Bank Plc trading as Virgin Money (VM) responded to a claim to refund a payment made for a service.

## **What happened**

Mr B paid £178.50 to a supplier I'll call S in April 2023.

He contacted VM to dispute the transaction in October 2023. He said that he had authorised the transaction but had since contacted S to say the service paid for had not been received, and it could no longer expect to be delivered.

Mr B said that S indicated that they wouldn't give a refund. He said he wasn't able to provide any further evidence of communication with S, but VM would be able to establish the facts once they initiated the claim.

Mr B said that he sent evidence to support his claim by post and email. He said that VM had failed to resolve the matter due to incompetence and had closed his case.

VM said that they had requested further information from Mr B, and when this hadn't been received, they closed the claim.

Mr B referred his complaint to our service, an investigator here reviewed the evidence and said that he didn't think VM had any choice but to close the claim due to a lack of evidence. Mr B disagreed and so the complaint has been passed to me to make 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've read and considered the evidence submitted by both parties but I'll focus my comments on what I think is relevant. If I don't comment on a specific point it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

I need to consider whether VM – a financial services provider – has acted fairly and reasonably in handling Mr B's request for a refund. I have to make the distinction between the financial services provider (VM) and the supplier (S) here as we can't look directly at what happened with S. I've gone on to think about what statutory protections and other methods are available in situations like this.

When something goes wrong with goods or services that were paid for, at least in part, by credit card, the card provider can offer to assist in some way. It might have a legal obligation to the account holder under section 75 of the Consumer Credit Act 1974 (CCA) or it might be able to help through other dispute methods such as "chargeback".

Chargeback allows for a refund of the money paid with a credit or debit card in certain situations, such as when goods or services have been paid for and not received. But there isn't an automatic right to get a refund from the card provider. I would expect a card provider to attempt a chargeback if there was a reasonable prospect of success. This is determined by the claim being in line with the rules of the card scheme to which the card belongs.

There are strict detailed conditions which set out what is needed to raise a chargeback dispute. These might include providing copies of the contract, evidence of what was agreed, and the relevant terms and conditions. It would also likely need to include evidence for example that the results weren't as expected, the goods weren't received or that the service wasn't as described.

As a starting point Mr B was asked to provide details of his claim. I can see that he sent several emails, and a letter which he said included everything that was required.

VM said they didn't get the letter and I can see that Mr B inserted "FREEPOST" into the address that he used. VM said the address did not have a freepost facility, so it seems likely that VM didn't get this correspondence.

Mr B's emails to VM, which he has forwarded to our service, appear to include a link to a word document. However, the link does not work so I can't check what information he said he sent to VM. I've asked our investigator to request the document is sent in another format. Mr B replied by forwarding the same emails, but unfortunately the link does not work. Mr B hasn't provided any further information on the transaction he has disputed.

VM confirmed they had received the emails, but they didn't contain the information that was needed, and so I can understand why it contacted Mr B to ask for more information.

Considering all of this, I have to conclude that VM wasn't wrong not to pursue a chargeback for Mr B. It didn't have a reasonable prospect of success as it wouldn't have been able to comply with the card scheme's rules.

### Section 75

Section 75 of the CCA gives the account holder (the "debtor") the right to make a like claim against their credit card provider for breaches of contract or misrepresentations by a supplier of goods and services. But certain conditions must have been met including the debtor-creditor-supplier (DCS) agreement that our investigator highlighted, and financial limits.

Mr B has told VM and our service that the payment was made to S. He hasn't provided any detail about what the goods and/or services were that he paid for, nor on what basis they weren't provided. I have to say that even a limited amount of testimony here would have been helpful. I can't safely conclude that the technical criteria for a Section 75 claim has been met, however I'll move onto whether there is breach of contract.

There is a lack of basic evidence about what the contract was between Mr B and S. VM were required to consider the claim, but it wasn't unreasonable of it to have asked for broad information about the nature of the dispute.

I can see that VM gave Mr B opportunities to provide further information which wasn't forthcoming. Similarly Mr B hasn't provided enough information to our service, despite our request for his documents to be sent in a different format such as an attachment. Even if I were to receive those documents in an alternative format, I'm not satisfied that he provided sufficient evidence to VM to progress his dispute.

So I'm left to conclude that VM haven't handled his claim unreasonably due to a lack of evidence. However VM have said they are willing to look at the claim again if Mr B provides the evidence that they have asked for. I won't deal with that as part of this complaint, it will be up to Mr B to present the information to VM and ask them to consider the claim afresh.

### **My final decision**

For the reasons explained above, I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 March 2025.

Caroline Kirby  
**Ombudsman**