

The complaint

Mr S complains about Nationwide Building Society's decision not to raise a chargeback claim on his behalf.

What happened

Mr S purchased goods through a food delivery platform in late October 2024. Mr S says one of the food items he received wasn't as described and he complained.

The merchant didn't resolve Mr S' dispute to his satisfaction, so he contacted Nationwide as he'd used his Nationwide Visa debit card to pay for the goods.

Nationwide decided not to raise a chargeback claim on Mr S' behalf as it said his dispute met an invalid chargeback condition. Mr S complained about Nationwide's decision, and it issued a final response in November 2024 not upholding his complaint.

Unhappy with Nationwide's response Mr S referred his complaint to our service for review.

One of our investigators considered Mr S' complaint and didn't uphold it. He disagreed with Nationwide's reason for not submitting the chargeback claim; so, he went on to consider the relevant dispute conditions to see what Nationwide ought reasonably to have done. Having done so he was satisfied that Mr S' claim didn't meet all the relevant dispute conditions in any event; so, he concluded Nationwide would reasonably have come to the same decision not to raise the chargeback claim.

Nationwide didn't respond to our investigator's view; Mr S disagreed. He maintained his arguments as to why Nationwide acted unreasonably by not raising a chargeback claim on his behalf; and provided further information in support of his position, which included reference to a previously successful chargeback claim he drew parallels from.

Mr S asked for an ombudsman's review, so the complaint's 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.

The information in this case is well known to Mr S and Nationwide; and I've seen our investigator set out the chargeback process and our service's approach to these types of cases within their view. So, I don't intend to repeat this information here. I've focused my decision on what I consider to be the key points of this complaint. I don't mean to be discourteous to Mr S or Nationwide by taking this approach, but this simply reflects the informal nature of our service.

I think it would be helpful for me to set out from the beginning that I've reached the same outcome as our investigator, for broadly the same reasons. I acknowledge this will be disappointing to Mr S.

As I've set out above, Mr S is unhappy Nationwide declined to raise a chargeback claim on his behalf about a transaction made with his Nationwide Visa debit card in October 2024.

Mr S purchased food via a food delivery platform. Mr S states part of the food items received weren't as described, and provided evidence by way of a photo taken of the food as received, as well as how the item was shown and described by the merchant on its online site. Mr S also provided evidence of his interactions with the food delivery platform to show he'd attempted to resolve the dispute before referring the issue to Nationwide.

Mr S said in his complaint to our service that he considers Nationwide are obliged to process a chargeback claim for the item he'd received that wasn't as described.

As our investigator set out within their view, chargeback is a voluntary scheme controlled by the card scheme operator (in this case Visa) to look to resolve some disputes between cardholders and merchants. Nationwide, as the card issuer in this process, is bound by the card scheme operator's rules – and it must review the rules to decide if it considers a claim meets the chargeback criteria. As such, chargeback isn't a guarantee.

Our investigator said he felt Nationwide's conclusion to decline to raise a chargeback claim on Mr S' behalf was made based on incorrect information. He said this as he considered it unreasonably considered Mr S' claim met an invalid dispute reason for the dispute condition of not as described or defective merchandise/services – that the dispute was regarding the quality of food.

I've carefully thought about this condition and Nationwide's consideration of Mr S' dispute. Having done so I'm in agreement with our investigator.

I say this because Mr S' dispute wasn't about the quality of the food item he'd received – in that it was cold for instance, which is provided as an example within the chargeback rules. Mr S' dispute was that the food was missing items that were described within the online explanation of the item, and were shown within the picture on the merchant's site. So, I therefore don't consider it was reasonable for Nationwide to decline to raise the chargeback claim because of the reason it did.

However, just like our investigator, I've gone on to consider what would more likely have happened had Nationwide considered Mr S' chargeback claim as valid.

Part of the dispute conditions of a chargeback claim about items not as described or defective merchandise/services set out that from 19 October 2024 the cardholder must return or attempt to return the merchandise. And I can't see any evidence that Mr S did, or attempted to, do this.

The evidence Mr S has provided from his engagement with the merchant when looking to dispute the item confirms he'd raised the concern of the item not being as described, and requested a refund or part refund to cover the missing part. The merchant said it couldn't offer a refund as it couldn't assign a monetary value to the missing part of the food item. But there is no mention from either party of a request to return, or at least attempt to request to return the item, to the merchant. And within the disputed transaction document Mr S completed and provided Nationwide he confirmed the food item wasn't returned to the merchant.

I don't consider it unreasonable, as Mr S was disputing the item he had received and was looking to obtain a refund for, to have attempted to have discussed with the merchant about

returning the item. For example, this could have been by asking the merchant about the possibility of a delivery driver collecting and returning it.

As part of Mr S' response to our investigator's view he's made reference to the practicality and potential health risks in attempting to return food items. While I acknowledge Mr S' comments, as I've set out above Nationwide is bound by the card scheme operator's rules. And I don't consider it would have been unreasonable for it to have declined to raise the chargeback claim on Mr S' behalf because the dispute condition of returning, or attempting to return the item, hadn't been met.

In his submissions to this service Mr S has made reference to a previously successful chargeback claim. Visa made changes to its card scheme rules for disputes processed on or after 19 October 2024. This was a couple of days before the transaction Mr S made on 21 October 2024. One such change was the need to return or attempt to return merchandise under the dispute condition of not as described or defective merchandise/services. So, while Mr S may have had a successful claim previously, Nationwide must assess each claim based on the card scheme operator's rules in place at the time of the transaction.

Mr S has complained about a lack of transparency in that Visa's rules for chargeback had been updated and he wasn't made aware of this.

As chargeback is a voluntary scheme run by the card scheme operator, I don't consider it unreasonable that Mr S wasn't updated about the change in rules. Ultimately when Mr S looked to raise a chargeback claim Nationwide needed to take account of and follow the relevant rules in place at the time. So, I don't consider Nationwide lacked transparency here.

I've thought about whether Nationwide could have provided and supported Mr S with any other formal avenues to pursue his dispute, but given the individual circumstances of the transaction in question, I don't consider there were. Nationwide suggested Mr S return to the merchant to pursue his complaint further, and I don't consider that unreasonable in the circumstances of this case.

I understand Mr S' comments that it is the principle of the matter that he is pursuing here rather than the modest monetary loss. But for the reasons I've set out above I don't consider Mr S' claim met the necessary chargeback dispute conditions, and as such I don't consider Nationwide needs to take any further action in resolution of this complaint.

My final decision

For the reasons set out above my final decision is that I'm not upholding Mr S' complaint about Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 June 2025.

Richard Turner
Ombudsman