

## **The complaint**

Mr T is unhappy with the way Prepay Technologies Ltd – trading here under its Monese brand - handled two chargeback disputes.

## **What happened**

On 12 April 2024 Mr T bought a mobile phone on eBay, using his Monese prepaid card to pay the purchase price of £919. The phone was delivered to him, but he says he returned it to the seller and sought a refund. eBay did not agree to refund the price and so Mr T contacted Monese.

On 10 May 2024 Mr T bought another phone through eBay. Again, he says he returned it and sought a refund. Again, eBay declined his request, so Mr T contacted Monese. He said that eBay had suspended his account, meaning that no refund could be processed.

In both cases, eBay said that Mr T had not correctly followed the returns process and that no refund was due.

Monese reviewed what had happened but broadly agreed that the returns process did not appear to have been followed and that chargeback claims were therefore unlikely to succeed. It decided not to proceed further. It also decided on 15 May 2024 to give Mr T notice of immediate closure of his account.

Mr T referred the matter to this service. He complained about Monese's decision not to pursue the chargeback claims. Whilst he mentioned the decision to close his account, he said that he did not wish to pursue it further.

One of our investigators considered what had happened but did not recommend that the complaint be upheld. He agreed that Mr T did not appear to have followed the returns procedure as required by eBay and that Monese was therefore justified in concluding that chargebacks were unlikely to be successful.

Mr T did not accept the investigator's assessment and asked that an ombudsman review the case.

## **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 have reached the same overall conclusions as the investigator did, and for broadly the same reasons.

Chargeback is a scheme under which certain card transactions can be challenged and, if that challenge is successful, reversed. It is run under rules issued by the relevant card scheme, in this case Mastercard. Reasons for challenging a card payment include where goods are not delivered or where they are returned and a refund is agreed but not paid. Mr T

says that this is what happened in this case. He has explained that, having ordered the phones, he found a better deal and so returned them.

I have reviewed the evidence available about the return of the phones – some of which has been provided in confidence, as our rules allow. Having done so, however, I agree that Mr T does not appear to have followed eBay's requirements when returning goods. Certainly, he was not able to show to eBay's satisfaction that he had done so.

We take the view that a card provider should pursue a chargeback claim where it has a reasonable prospect of success, although there is no legal or regulatory requirement to do so. In this case, however, I think Monese was justified in concluding that pursuing the chargeback claims was unlikely to result in refunds for Mr T. It follows that it was reasonable for it not to do so.

### **My final decision**

For these reasons, my final decision is that I do not uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 24 June 2025.

Mike Ingram  
**Ombudsman**