DRN-5363569

The complaint

Mr B is unhappy with Nationwide Building Society's (Nationwide) handling of his refund claims.

What happened

Mr B purchased two mobile phones and two chargers on 16 November 2024 from a supplier I shall call D using his Nationwide debit card. He said these were purchased in store but only the chargers were available for pick up. He says the phones however weren't in stock and were subsequently delivered to his home.

Mr B says he received the wrong phones and upon contacting D was told to return the items for a full refund. However he discovered after doing so that he hadn't been refunded so he contacted Nationwide to raise a chargeback claim.

D raised the chargeback claim but then subsequently re-debited his account as they felt sufficient evidence hadn't been provided by Mr B. Mr B didn't agree and raised a complaint. Nationwide subsequently sent their final response letter (FRL) confirming that they still didn't think he had a valid chargeback claim and said Mr B hadn't attempted to address this with D in the first instance.

Mr B remained dissatisfied and said he'd provided sufficient evidence to show he'd corresponded with D regarding his refund. He therefore referred his complaint to our service. Our investigator reviewed the complaint but felt Nationwide hadn't done anything wrong. They considered D's submission to the chargeback claim which said that the items had been purchased in store and therefore needed to be returned to the store with proof of purchase.

D's position was therefore a refund wasn't due as the goods hadn't been returned.
Our investigator concluded there wasn't a prospect of success had the chargeback claim progressed further and therefore Nationwide hadn't done anything wrong in declining the claim.

Likewise they noted Mr B had complained about differing reasons being given for the chargeback claim being declined and considered it may have been due to miscommunications tied to another chargeback claim Mr B had raised alongside this one. However they didn't think there was any significant impact as a result and so didn't consider Nationwide needed to do anything further.

As Mr B didn't accept our investigator's findings, he asked for an ombudsman to issue a final decision on the matter.
I issued a provisional decision and said the following:

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 the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Nationwide aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr B paid for this transaction using his debit card, a chargeback could possibly help him. So in deciding what is fair and reasonable I've focussed on this.

Chargeback

There is no requirement for Nationwide to raise a chargeback, but it's often good practice to do so. However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case VISA). I've considered the relevant chargeback rules in deciding whether Nationwide acted fairly.

D's chargeback notes confirm that this was raised under the chargeback code 'Not as Described or Defective Merchandise or Services' as Mr B said he received the wrong phones. Looking at the reason codes available, I think the dispute reason raised here was reasonable in the circumstances and so had the greatest prospect of success.

Nationwide subsequently reviewed D's submissions in response and didn't consider there was a reasonable prospect of success with the chargeback. They therefore didn't progress the claim any further.

As Mr B didn't agree, I've considered whether Nationwide acted correctly based on the pertinent evidence. This is as follows:

- *Both Mr B and D have confirmed the items were purchased in store, however Mr B has said that only the two phone chargers were available for collection but the phones weren't. They were later delivered to him directly at his home address.*

- *D has said however that the items weren't ever delivered to Mr B but were available for pick up only - and the items were later collected. D has provided a copy of the delivery tracking of the relevant order to the store and a photograph of the package having been delivered there.*

- *Mr B has said that as he received the wrong phones he emailed D to arrange a refund. He provided a delivery confirmation of the phones to his home, copies of emails where D accepted the return and then a promise of a refund following receipt. Mr B also provided a copy of his royal mail return receipt and the postage label used.*

- *D maintained that as the phones were picked up from the store, they needed to be returned there. They said the goods remained with Mr B and if he needed any further assistance with his complaint he could either contact the store or call them directly to address the issue further.*

Clearly there is conflicting evidence here regarding what happened to the goods and whether they were returned. However I can't safely conclude based on the evidence available that there was a prospect of success had the chargeback progressed further to arbitration.

I say this because D has a valid defence based on its tracking details of the items to the *store along with a photograph evidencing the delivery there. And in addition the customer order log confirmed the goods were picked up from store a few days later. This would mean that they would need to be returned to the store and I've insufficient evidence this was done.*

There is also an additional consideration of chargeback time limits which verges on this evidence as well. These say a chargeback must be initiated within 120 days from when the transaction occurred or 120 days from the last date the cardholder was expected to receive the merchandise or services

In this case D's customer order log shows the following:

- *16 November 2023 – goods purchased in store*
- *18 November 2023 – goods delivered to store*
- *21 November 2023 – goods collected from store*
- *8 April 2024 - chargeback raised with Nationwide*

This means that the chargeback was raised outside the 120 days required from the date Mr B received the goods.

The chargeback would then not meet the required card issuer time limits and I've insufficient evidence Nationwide were notified prior to this date. Nationwide still raised the chargeback claim and this looks to have arisen due to the evidence provided by Mr B of the delivery confirmation of the phones. This shows the date of delivery to be 12 December 2023 which if considered would mean the chargeback is in time.

However as mentioned, I do consider D's submissions to be persuasive showing the goods were collected in store and so in turn the chargeback would be out of time. Therefore if the chargeback claim had proceeded to arbitration it was unlikely to have been accepted as it didn't meet the card issuer's time limits for when Nationwide should've been notified of the claim.

And even if one was to consider the evidence submitted regardless in terms of the prospect of success, I consider D's submissions were sufficiently robust in any event which meant the claim was still unlikely to succeed had it progressed further.

Customer Service

Mr B has also complained about the fact he was given differing reasons for this chargeback claim not succeeding – firstly because they felt Mr B hadn't provided evidence to support his complaint and then subsequently because Mr B hadn't contacted the merchant to resolve the issue.

While there does look to be elements of a miscommunication here, I'm aware Mr B had raised another similar claim and it may have been the basis of the error. While I appreciate this would've been frustrating for Mr B, I'm not minded to say that Nationwide need do anything further here. Their FRL of May 2024 was clear in explaining that D hadn't heard from Mr B and he needed to discuss this directly.

I also appreciate Mr B has said in his communication to us in February 2025 that his complaint shouldn't be considered with regard to the prospect of success but based on the fact that he believes Nationwide didn't reasonably consider his evidence at all.

I have to respectfully disagree – it's necessary to consider if the chargeback would've succeeded had it progressed further. And in this case, for the reasons explained, I think it *was unlikely to succeed had it progressed to arbitration.*

This is based not only on the evidence available but also regarding the chargeback time limits with mind to the date D says the items were picked up in store.

I know this'll be disappointing to Mr B but I therefore won't be asking Nationwide to do anything more.

Nationwide responded to the provisional decision by stating they didn't have any further comments.

Mr B disagreed with the provisional decision and provided additional submissions which I've considered below.

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.

Mr B raised several points following my provisional decision. I've summarised the pertinent points below and provided my comments:

- He said that Nationwide had changed their position from stating his evidence hadn't been received to saying that Mr B hadn't spoken to the merchant. He says he submitted evidence that he did speak to the merchant and the card scheme should have the final say here.

I've addressed this in my provisional decision but to summarise again, I've considered whether the evidence was sufficient to say there was a prospect of success had the claim progressed to arbitration. I don't consider this to be the case and I explained in my provisional decision why I felt the evidence was persuasive that the items were collected in store.

- Mr B also believes his evidence wasn't considered by Nationwide and thinks it should've been reviewed by the card scheme at arbitration.

I appreciate Mr B thinks his evidence wasn't considered and so his chargeback wasn't administered properly. I've insufficient evidence this is the case and regardless I consider that it was unlikely to succeed had it progressed for the reasons stated in my provisional decision. Mr B also commented on the investigator's previous findings on the matter but I won't address this here as I've provided my thoughts in my provisional decision.

- Mr B has challenged whether the chargeback was raised late

While Mr B hasn't agreed that the chargeback was out of time, my provisional decision has clarified my findings on the matter based on the card scheme rules. And as explained I still don't consider the evidence submitted persuasive for the claim to have succeeded had it progressed further.

In summary I know Mr B has strong feelings that his claim should've progressed to arbitration. However we'd expect a business to progress a chargeback claim if there is sufficient evidence to show there would be a prospect of success if they did so. In my provisional decision I explained why I felt the evidence from the merchant was sufficient to show the items were collected in store. As a result I don't think there was a prospect of success had it progressed further.

So for the reasons set out in my provisional decision and above I don't consider Nationwide need do anything more.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 August 2025.

Viral Patel
Ombudsman