

The complaint

Miss U complains about the way Nationwide Building Society (“Nationwide”) handled her chargeback request.

What happened

On 26 April 2024, Miss U purchased two white gold rings and a platinum ring from a jeweller who I will refer to as ‘T’. The total cost for all three rings was £1,347, which Miss U purchased in-store. Miss U started to have, what she considered to be, an allergic reaction to the white gold rings (collectively, the ‘goods’). On 12 August 2024, Miss U emailed T asking it to exchange the goods and when she didn’t receive a satisfactory response, she asked Nationwide to assist her with obtaining a refund through the relevant chargeback scheme.

T’s bank responded saying the chargeback request wasn’t valid. And when Nationwide decided not to pursue the chargeback any further, Miss U complained. Nationwide maintained its position, so Miss U referred her complaint to our service. Our investigator didn’t think Nationwide had acted unfairly in the way it handled Miss U’s request. But Miss U disagreed and said T should’ve told her about the possibility of an allergic reaction to the goods she bought. Miss U asked for an ombudsman to review her complaint.

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.

First, I’m very aware that I’ve summarised this complaint in far less detail than the parties. This simply reflects my informal remit. However, I’ve taken into account all the available evidence and arguments before reaching my decision.

As Miss U paid for the goods referred to above using her Nationwide debit card and wanted a refund, the chargeback process is relevant in this case. Chargeback is a process which, in some very specific circumstances, allows customers to ask for a transaction to be refunded if there is a problem with goods or services that they have paid for using a debit card. Chargebacks are dealt with under the relevant card scheme rules, which in this case is Visa. There is no automatic right to a chargeback. However, we consider it is good practice for a bank to consider carrying out a chargeback if there’s a reasonable chance it would succeed.

In this case, Nationwide appears to have initiated the chargeback under the most relevant Visa chargeback scheme reason code: *“Not as Described or Defective Merchandise/Services”*. But even this reason code, doesn’t quite match the type of situation described by Miss U. For example, she isn’t claiming there is something wrong with the quality of the goods, or that the goods didn’t match what was described. Rather, she says she had an unexpected allergic reaction to the goods which she thinks is due to the type of metal used rather than anything to do with the quality of the goods or some defect as such. Nonetheless, I can see T did take in the goods for repair but it concluded there wasn’t anything wrong with them. So, when T defended the dispute saying it wasn’t a valid chargeback, I can’t reasonably or fairly conclude that Nationwide acted incorrectly when it decided not to pursue things further.

Miss U has since said T should've given her a warning that the type of metal used in the goods she purchased could lead to an allergic reaction. But again, I can't see there is a Visa chargeback reason code for this type of dispute. And I can't see that she has been able to provide any evidence to Nationwide to show she didn't get what was described to her.

I've also considered whether the reason code 'cancelled merchandise/services' applies here as Miss U said she attempted to return the goods. Miss U has provided evidence showing T wouldn't accept her return request after she had asked for an exchange of the goods in an email dated 12 August 2024. T said this was because they'd been worn. I've reviewed an archived webpage from T's website relating to its return/exchange policy from September 2024, which is the nearest date I could find to when Miss U asked for an exchange of the goods. Under T's 'exchange and return' policy, it says any goods returned must be in "*...unused, in pristine condition...*". And this seems to reflect the defence T used in response to the chargeback initiated by Nationwide on Miss U's behalf. So, in light of T's defence, even if Nationwide had attempted to raise a chargeback under this reason code, I can't reasonably or fairly say it would've succeeded.

So, whilst I know Miss U will be disappointed with this outcome, for all the reasons set out above, I'm not upholding her complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss U to accept or reject my decision before 23 April 2025.

Yolande Mcleod
Ombudsman