

The complaint

Mr H is unhappy with how Nationwide Building Society handled a dispute for goods he bought using his debit card.

What happened

In October 2024 Mr H bought two gold bars online with a total value of around £6,800. Mr H says he received a parcel from the merchant, but the package was empty. After being unable to resolve the issue directly with the merchant, Mr H approached Nationwide to raise a dispute for him.

Nationwide raised a chargeback dispute with the merchant on Mr H's behalf. However, the merchant provided evidence to support the goods were delivered in two separate packages and Nationwide took the decision to not pursue the chargeback any further.

Our Investigator concluded in the circumstances that Nationwide had acted fairly in how they'd handled the chargeback.

Mr H disagreed as he did not think the parties involved (Nationwide or the merchant) had thoroughly investigated what had happened, and he was prevented from being able to appeal the decision and provide further evidence. Mr H said he was not disputing receipt of a package, just that it was empty when he opened it, and he said the matter had caused him emotional and financial distress.

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.

While I may not respond to each individual point raised and I've only included a summary of what's happened above, I assure both parties I've reviewed all their submissions and I have focused on what I consider to be relevant to reaching a fair and reasonable resolution in the circumstances of this matter.

I understand this matter is very important to Mr H, particularly given the sum involved, but I think it important to make clear my role here is to only consider the actions of Nationwide as the provider of financial services and therefore whether they acted fairly in their handling of the chargeback on Mr H's behalf.

Chargeback is a mechanism by which the card issuer (in this case Nationwide) may be able to, in certain circumstances, recover funds on behalf of the cardholder (in this case Mr H) from a merchant's bank. Chargeback follows the strict rules of the card scheme provider (in this case VISA) and there is no obligation on the card issuer to refund or assist in any way, although we'd consider it good practice for them to do so where there is a reasonable prospect of success.

In this case, given what Mr H initially shared with Nationwide about what happened, I think

Nationwide fairly submitted a chargeback on Mr H's behalf.

The dispute was submitted under the chargeback code that goods were not received. Mr H says that he doesn't dispute receiving a package, rather that there were no goods in the package. There is no code for Mr H's precise scenario in the card scheme rules (as he notes himself that option does not exist), but I think it is fair to say Mr H's claim is that he did not receive the items he had purchased so looking at the reason codes available, I think the dispute reason raised here was reasonable in the circumstances and had the greatest prospect of success.

Nationwide received a response from the merchant. The merchant said Mr H's claim was invalid due to evidence they held from the courier showing the items had been delivered and received at the delivery address. Mr H was informed of this and he contacted Nationwide to appeal the decision given he wasn't disputing receipt of the package, rather that it was empty; however, Nationwide decided not to take the chargeback dispute any further noting the merchant's documents had also included information about the weight of the packages when they were sent.

I acknowledge there are further steps in the chargeback process that would be open to Nationwide, but to decide whether to appeal further would be at Nationwide's discretion and whether they considered a reasonable prospect of success should the dispute go as far as arbitration – where the card scheme provider would ultimately make the decision about the dispute (not Nationwide).

In the circumstances, I don't think Nationwide acted unreasonably in choosing not to pursue the dispute any further given it is not clear that the card scheme provider would more likely than not have upheld Mr H's claim.

I don't say this to dismiss Mr H's version of events, so it is possible things may have happened as he has described, but Nationwide are confined to pursue a chargeback within the framework of the card scheme provider's rules. This means there is no requirement for Nationwide to investigate and get to the bottom of what has happened here in the way Mr H is looking for Nationwide to do. The card scheme rules describe what is expected of either party in respect of the particular dispute reason being raised.

In this case the dispute reason applied was that Mr H had not received the items he had ordered. Nationwide were presented with evidence from the merchant supporting the delivery of the goods. The evidence includes the correct delivery address, signatures on the paperwork to confirm delivery and the weight of the respective packages.

As already noted, Mr H did engage with Nationwide after the merchant declined the chargeback and I've considered the evidence Mr H says he would have looked to obtain – including reporting the matter to the police and approaching the courier of the goods to clarify more detail about the weight of the packages.

It's not possible to know what any further evidence would have produced and in the circumstances Nationwide would still have had to consider whether there would be a reasonable prospect of success should they pursue Mr H's claim further, and I'm not sure further evidence would have made a difference.

In the circumstances it would be difficult to know how the card scheme provider would decide the matter given its complexity. I understand Mr H is looking to understand what has happened to the items he purchased and he himself notes there are potentially several points in the supply chain where respective parties could be questioned in relation to what has happened here. However, I'm not aware of any authority the card scheme provider

would have to be able to call and cross-examine witnesses. And I think Chargeback is perhaps not the forum for this type of investigation – particularly where there are such serious allegations of potential criminal behaviour, as Mr H alleges there may have been in the supply chain.

At this point I think it also important to explain that it is not my role here either to determine what happened to the items in question. I also have no power to call witnesses or cross-examine them. As already explained, my involvement in this matter is limited to considering Nationwide's actions in relation to how they have handled the chargeback.

I've already said I think Nationwide fairly raised the chargeback when Mr H first approached them, and following the merchant's response I think Nationwide's decision to not pursue the chargeback further was reasonable in the circumstances. I say this because I think it's fair to say the merchant was likely to continue defending the claim in light of the evidence they had showing proof of delivery and weight of the packages, and the dispute itself is complex - so I think there was no clear and reasonable prospect of success to suggest the card scheme provider would likely have found in Mr H's favour.

I realise my findings will disappoint Mr H, but as I've explained I can only review Nationwide's handling of the chargeback claim, and in the circumstances I have not found anything to suggest they have acted unfairly in their handling on this occasion. Mr H may choose to seek out other avenues to pursue his concerns, including what legal recourse there may be available to him.

For completeness, as Mr H's transaction was made using his debit card rather than a credit card, the protections under Section 75 of the Consumer Credit Act 1974 do not apply here, so I have not considered these.

My final decision

For the reasons above, my final decision is that I do not uphold M H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 July 2025.

Kristina Mathews
Ombudsman