

## The complaint

Mr L complains that Nationwide Building Society hasn't refunded a payment he made.

## What happened

In July 2024, Mr L purchased an inflatable catamaran from a seller on an online marketplace. The catamaran cost £649.95 including postage.

Mr L said the catamaran was faulty as it was losing air when inflated. He attempted to return the catamaran through the online marketplace. He had several conversations with the seller who attempted to offer solutions to resolve the problem. However, when a solution couldn't be found the seller tried to arrange collection of the catamaran. Mr L said he was abroad with the catamaran, but the seller said they were unable to collect from a different country.

As no agreement could be reached between Mr L and the seller his return request was closed by the online marketplace. Mr L then approached Nationwide to ask it to complete a chargeback.

Nationwide added a temporary refund to Mr L's account for the full purchase amount while it attempted a chargeback. The chargeback was defended by the online marketplace. The response said that Mr L had failed to return the goods to the seller. On this basis Nationwide wrote to Mr L to tell him the chargeback had been unsuccessful and that the temporary refund would be reversed.

Mr L complained to Nationwide. He said that his chargeback had been incorrectly handled because the online marketplace's terms set out that the seller was responsible for paying for and arranging the return of faulty items. He said the evidence showed the seller had not done this. Further, he said Nationwide had not treated him fairly in the way it had communicated with him. He had asked for communication by email, but Nationwide had sent correspondence by post.

Nationwide didn't agree it had acted unfairly. It said it had handled the chargeback correctly and it couldn't send him the chargeback outcome letters by email as this was not a secure way to send those messages.

I sent Mr L and Nationwide my provisional decision on 21 February 2021. I explained why I didn't think the complaint should be upheld. I said:

*Nationwide attempted to recover a refund for Mr L using the chargeback process. This is a way for payment settlement disputes to be resolved between card issuers and merchants. The chargeback process and its associated rules are operated by the relevant card scheme. In certain situations, such as where goods aren't supplied or are misrepresented, the scheme provides a way for Nationwide to ask for a refund of a payment Mr L made.*

*Nationwide isn't obliged to process a chargeback, but I would consider it good practice for it to do so where the right exists and where there was a reasonable*

*prospect of success. In this case, Nationwide did attempt a chargeback, which I think was reasonable given Mr L had said he'd purchased defective goods and the seller had refused to collect them.*

*A chargeback isn't guaranteed to succeed. It can be defended by the merchant, and that is what happened here. The online marketplace (who was the merchant for the purposes of the chargeback scheme) defended the chargeback. It said this was because Mr L had not appropriately engaged with the seller in order to arrange collection of the catamaran.*

*Where a chargeback is defended Nationwide can make a further presentment to that defence and ultimately it could have also asked the card scheme to arbitrate on the matter if the online marketplace continued to defend it. However, Nationwide wasn't obliged to do either. As with raising a chargeback initially, I would consider it good practice to pursue a chargeback further, if there were grounds to do so under the scheme rules and there was a reasonable prospect of success.*

*Nationwide chose not to pursue the chargeback further. This was because it said the chargeback rules required Mr L to have returned the items to the seller or to have evidence showing the seller had refused to accept a return. Nationwide were of the view there was a lack of persuasive evidence for either scenario and therefore pursuing the chargeback further would have no reasonable prospect of success. Having reviewed the available information and evidence, I don't think this was an unfair or unreasonable conclusion for Nationwide to reach. I'll explain why.*

*I've seen from copies of correspondence between the seller and Mr L that the seller had arranged a collection of the catamaran because Mr L had requested a return of the item through the online marketplace. Mr L said he was not in the UK and that he had never asked for the catamaran to be returned. However, the seller said that the online marketplace required them to carry out the returns process because Mr L had asked for one. The seller provided a screenshot to Mr L showing they had begun the process of instructing a courier company to collect the catamaran and that Mr L just needed to provide a collection date and time.*

*From everything I've seen, Mr L didn't provide a collection date or time to the seller. Instead, he appears to have insisted that the catamaran be collected from France (where he was at the time, with the catamaran in his possession) or that the return be placed on hold until he returned to the UK. The seller said that neither option was possible because the online marketplace's rules required the collection to be arranged in a matter of days and that the seller was only required to collect from the UK as this is where the catamaran was delivered.*

*I consider the information Nationwide had available to them indicated that Mr L hadn't done all he reasonably could to return the catamaran and therefore any further chargeback would most likely fail, as the chargeback rules hadn't been adhered to.*

*I note Mr L says the online marketplace's rules say that the seller was responsible for the collection of the catamaran and the costs associated with it. While this is true, it doesn't say that the seller is required to arrange and pay for collection from any conceivable location. It seems the online marketplace has a different set of rules for each territory it serves. Mr L made his purchase through the UK site (where the UK terms were applicable), the purchase was made from a UK seller and delivered to a UK address.*

*The terms don't set out what ought to happen in a scenario such as this where a*

*return is required but the buyer (such as Mr L) has taken the item abroad. The seller told Mr L in a message that the marketplace had told her that she was not required to pay for collection from a different country to the one the item was originally delivered to. There is nothing in the relevant terms that would contradict that, or indeed support Mr L's position. I find it unlikely that a seller in those circumstances would be required to pay substantially more just because the buyer had taken the goods to another country.*

*The marketplace, when it defended the chargeback, was of the view that Mr L had been the one not to adhere to the returns process. With all this in mind, I find it highly unlikely that the card scheme would have ultimately sided with Nationwide and Mr L had the chargeback been pursued further.*

*Mr L has also provided a call recording of a conversation he had with the marketplace where he enquired about its terms. Specifically, he asks about the seller's responsibility in paying for and arranging collection of faulty items. Mr L believes this phone call supports his view that the seller was in breach of the marketplace's terms. However, I don't agree. The conversation between Mr L and the marketplace doesn't refer to the specific circumstances of this dispute, and crucially, there is no mention of the fact that Mr L required the seller to collect items from a different country to the one they were originally delivered to.*

*Overall, I've not seen anything to persuade me that Nationwide acted unfairly or unreasonably in not pursuing the chargeback further.*

*Mr L has also said that Nationwide didn't communicate the outcome of the chargeback dispute appropriately. He says that he asked for communication by email and Nationwide ignored this, meaning he didn't receive the letter it sent in the post.*

*Nationwide says it isn't able to send chargeback dispute outcome communications by email as it doesn't have a secure way of doing this. Mr L says that Nationwide has sent this type of communication by email to him before on other disputes. Based on copies of emails he has sent to us, that does appear to be the case.*

*Notwithstanding Nationwide's unclear and inconsistent process on what it can and can't send by email, I don't think the manner in which Nationwide chose to communicate the outcome of this chargeback dispute is particularly relevant here. This is because it doesn't appear to have had any significant detrimental impact on Mr L.*

*I say this because Mr L contacted Nationwide on 24 August 2024 to dispute the decision to decline the chargeback and remove the temporary refund from his account. This shows that Mr L did receive communication from Nationwide about the outcome of his chargeback claim (it appears a letter was sent to him around two weeks earlier). Further, the temporary refund wasn't debited until 4 September 2024. So, Mr L did have advance warning of this happening.*

*While I don't doubt the removal of the temporary refund had an impact on Mr L's financial position, I don't think Nationwide needs to do anything to compensate Mr L for that. This is because it gave him sufficient advance warning about the removal of the temporary refund and Mr L was told at the outset that the refund was a temporary one and not guaranteed. As I don't think Nationwide acted unfairly in relation to the chargeback, I can't reasonably hold it responsible for any financial impact that may have resulted from that, particularly where I'm satisfied it appropriately notified Mr L of the actions it was going to take.*

Nationwide accepted that outcome, but Mr L didn't. In summary, he said that when the seller sent screenshots of the incomplete courier collection he was already back in the UK and was waiting for the collection to happen, but the seller wasn't engaging with him. He said all he ever wanted to do was return the item, but the seller didn't complete the returns process and this is why he asked Nationwide for assistance. He also said that Nationwide's communications concerning the chargeback ought to have been better.

### **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've reached the same overall outcome I reached in my provisional decision, and for broadly the same reasons. However, I'll address the additional points Mr L has raised.

I've reviewed the correspondence Mr L provided between him and the seller. This shows that on 28 July 2024, the seller contacted Mr L to say they had started the returns process. The seller provided a screenshot of the courier return process and that Mr L needed to provide a date and time for collection from the original delivery address.

Mr L responded to say: *"I'm not sure why you have done that, I'm not going to be there."*

The seller explained that as Mr L had requested a return, the online marketplace had given the seller only a few days to complete the return. Mr L responded to say: *"I also told you that I am not in the country and that I wouldn't be back for some time"* and *"I have not once asked for it to be returned"*.

A couple of days later, Mr L then said to the seller that they would need to arrange collection from France. The seller explained this wasn't possible and that the online marketplace had told them that collection only needed to be from the UK. Mr L hasn't provided any further correspondence between him and the seller after this message demonstrating that that he supplied the seller with a collection date, time or collection address in the UK as the seller had asked.

The available evidence therefore appears to contradict what Mr L now says, that he was in the UK and that he continually asked to return the item. Taking all of this into account, it seems clear to me that any further pursuit of a chargeback had no reasonable prospect of success. This is because the available evidence suggests it was Mr L, not the seller, that prevented the return from being processed. I therefore don't consider Nationwide has acted unfairly or unreasonably in not pursuing a chargeback further.

Lastly, as I said in my provisional decision, I agree with Mr L that it appears Nationwide could have communicated the chargeback outcome differently and in the manner he had asked. However, I don't think any communication failure by Nationwide had any material impact in the circumstances of this complaint. As I explained, Mr L did appear to be aware of Nationwide's chargeback decision before the money was re-debited from his account as he complained about it in advance of it happening.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 7 April 2025.

Tero Hiltunen  
**Ombudsman**