

## **The complaint**

Ms A has complained about the way National Westminster Bank Public Limited Company (NatWest) dealt with a claim for money back in relation to a purchase she'd made using her debit card.

## **What happened**

Ms A said she used her NatWest debit card in December 2022 to pay a merchant I'll call S for services. Ms A paid S around £700, and she said the services were ongoing.

Ms A said she found out S had ceased trading when she turned up for an appointment in August 2024 and it was closed. Ms A complained to NatWest around October 2024.

NatWest ultimately said it couldn't help because the transaction took place over 540 days before and that a chargeback couldn't be raised that long after a transaction was made. Ms A complained and said the time limitation wasn't fair as it was discriminatory, and she wasn't aware of it before completing the transaction.

Ms A referred her complaint to our service. She said she had attempted to resolve things with S and was told to contact her bank. Ms A said that she was already under a lot of stress organising a family celebration and was upset that the treatment she expected wasn't available due to no fault of her own. She said she could have used the money towards the celebration. She thought that she ought to have been shown more sympathy about her situation.

Ms A said that she thought it was unfair that companies can go into liquidation with no notice and leave customers without redress. She said the chargeback time limit was unfair and she didn't get any protection from the scheme, which was discriminatory due to the nature of the treatments which spanned over months and years. She said none of this was clear at the outset.

Our investigator looked into things but didn't uphold the complaint. She said she thought NatWest was fair in concluding the chargeback had been brought out of time.

Ms A didn't agree. She said she needed more time to contact the liquidators for S. Our investigator reminded her that we can only look into the actions of NatWest.

The complaint has been passed to me to make a decision.

## **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.

I want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide

matters quickly and with minimum formality. But I want to assure Ms A and NatWest that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I also want to say I'm very sorry to hear that Ms A wasn't provided all of the services. I appreciate it cost a significant sum and I can't imagine how this made her feel, especially at such an important time in her life.

I need to consider whether NatWest – as a provider of financial services – has acted fairly and reasonably in the way it handled Ms A's request for a refund. I have to make the distinction between the financial services provider (NatWest) and the merchant (S) here as we can't look directly at what happened with S. I've gone on to think about the specific card protections that are available. In situations like this, NatWest can consider raising a chargeback.

Chargeback allows for a refund of the money paid with a credit or debit card in certain situations, such as when goods or services have been paid for and not received. Chargeback isn't a legal right or a statutory protection which means there isn't an automatic right to get a refund from the card provider. I would expect a card provider to attempt a chargeback if there was a reasonable prospect of success. This is determined by the claim being in line with the rules of the card scheme to which the card belongs.

While it's good practice for a card issuer to attempt to chargeback where certain conditions are met and there's some prospect of success, there are grounds or dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. And something going wrong with a merchant won't always lead to a successful claim. NatWest said it was unable to submit the chargeback because it was out of time.

I've looked at the relevant rules from the card scheme. In order for NatWest to raise a chargeback for services not provided it would have had to do so within the strict timescales laid down by the card scheme. This is 120 days from the last day of expected service and/or no longer than 540 days from the date of the transaction in dispute. It's not in dispute Ms A raised her claim out of time taking these rules into account, so I don't think NatWest acted unfairly by not pursuing the chargeback.

I appreciate Ms A says she wasn't aware of the timescales, and she feels they are discriminatory. But I don't think NatWest was responsible for setting out in advance details of the chargeback process and the various timescales that apply. The rules for chargeback are complex and are set by the card scheme – not NatWest. The card scheme changes the dispute conditions from time to time. As I've explained the chargeback process is not a consumer right, or something that's part of the law.

I understand that Ms A has now contacted the liquidators for S, and there is a chance she'll be able to pursue her claim there. But this doesn't change my decision as I'm only able to look into how NatWest handled the dispute.

While I sympathise with the situation, as I explained above, something going wrong with a merchant won't always lead to a successful chargeback claim. I don't think NatWest handled her claim unfairly. I'm sorry to disappoint Ms A but I don't find I have the grounds to direct NatWest to reimburse her.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 29 April 2025.

Caroline Kirby  
**Ombudsman**