

The complaint

Mr C is unhappy with how Nationwide Building Society (Nationwide) handled a chargeback claim he made to them.

What happened

Mr C purchased many baby clothes from a supplier I shall call 'T' in March 2024 to the sum of £660.10 using his Nationwide debit card. He then received the delivery on 3 April 2024.

Mr C has said however that his goods were split into two separate deliveries by T and it was the smaller package that was received. He says that he became aware of custom charges with the larger package and so he refused delivery. He then discussed this with T using their online app.

Mr C says that after a series of exchanges T agreed to deliver the remaining items and provided a tracking number. However Mr C says the tracking number never worked and he didn't receive the remaining goods. He subsequently returned the goods received using T's return process, the contents of which were refunded.

Following Mr C's complaint to Mr T about the non-delivery of goods, he was told that T only had evidence of one package being delivered to him which included all the purchased items.

As these hadn't then been returned to T, they didn't think a refund was due. Mr C didn't agree and said he'd never received the goods purchased and was due a full refund. As the matter remained unresolved, he contacted Nationwide to raise a chargeback claim against T.

Nationwide raised Mr C's chargeback claim but declined to progress it further following T's submissions to them as they considered there wasn't a reasonable prospect of success. Mr C didn't agree and raised a complaint, however Nationwide issued their final response letter (FRL) on 17 October 2024 confirming their position. They also noted that Mr C had said he hadn't been informed of the chargeback outcome prior but they didn't agree and said he was sent correspondence letting him know that his claim had been unsuccessful.

Mr C remained dissatisfied with Nationwide's handling of his claim and therefore referred his complaint to this service. Our investigator considered the evidence available and concluded there was insufficient evidence to say Nationwide had done anything wrong in their administration of the chargeback claim.

As Mr C remained dissatisfied he asked for an ombudsman to issue a final decision on the matter.

I previously 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.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

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 VISA acted fairly.

The relevant chargeback reason code here would be 'Merchandise/Services Not Received'. I've therefore considered the evidence available with regard to this chargeback rule and whether Nationwide acted fairly when they declined Mr C's claim following the merchant's objections.

I've broken down the key evidence below:

- Mr C has said that his order from T shipped in two parts – this seems to be the key matter of contention as T has said there was only one shipment. Mr C says he only accepted one delivery but the other was refused due to additional customs charges. He also says he spoke to T about this and they agreed to subsequently deliver the goods but this didn't occur.*
- T's submission to the chargeback claim provided evidence of the delivery made to Mr C and while the photograph of the package isn't clear, it shows delivery of a parcel weighing 14820g and to the same address this service holds on file for Mr C. There is a tracking number provided for this delivery and it confirms the item was delivered on 3 April 2024. In addition the invoice for this shipment also lists the items ordered by Mr C.*

T's submissions are robust in showing that the package delivered to Mr C was of a significant weight and therefore likely contained the items ordered rather than a smaller partial shipment. They also confirm that this package was delivered to the correct address on 3 April 2024.

Regarding Mr C's submissions, I've not seen any documentary evidence of the conversation with T and their agreement to send a second delivery. In addition I've also not seen a second tracking reference tied to this either.

Nationwide considered T's submissions and declined the claim as they considered there wasn't a prospect of success if it was taken further. It's important to note that Nationwide doesn't decide who wins or loses a chargeback. However Nationwide could've taken the chargeback further and potentially pushed it to arbitration by the card scheme.

Still, looking at the circumstances, it appears there wasn't a reasonable prospect of success here. I say this because the nature of the dispute and the submissions by T means there are doubts as to how the card scheme would be able to effectively arbitrate in Mr C's favour.

While Mr C says there were two shipments and he only received one, T has provided evidence of one shipment being delivered and in addition that the significant weight of this package would've then corresponded to a large volume of clothes rather than a smaller package. In addition there has been no documentary evidence provided to show that there was a second shipment and that T promised this would be delivered.

So while I appreciate this'll be disappointing to Mr C, I think Nationwide weren't acting unreasonably in not progressing the chargeback further as it didn't have a reasonable prospect of success based on the evidence available.

Nationwide's handling of the chargeback claim

Mr C has also complained that he wasn't informed of the claim outcome and that he'd be re-debited. I've reviewed Nationwide's correspondence to Mr C and see a decline letter was sent to him on 11 September 2024 to his correspondence address. This said that Nationwide wouldn't be upholding his claim and that he would be re-debited within 21 days. A FRL was sent on 17 October 2024 following his subsequent complaint confirming that Mr C had been notified of the outcome and as there weren't any further submissions from him the claim had been closed.

Nationwide also confirmed that the temporary credit to Mr C was provided on 28 August 2024 and then re-debited on 2 November 2024. Nationwide also provided calls they had with Mr C between October and November 2024 and he explained in a call at the end of November that he still hadn't paid the amount due as a matter of principle regarding the handling of the claim. He therefore felt there shouldn't be an impact on his credit file for this.

I understand that Mr C also requested a current account switch service and this was processed on 27 January 2025. Nationwide have confirmed that while the account remained overdrawn during this time, there was no further action taken on this beyond the reporting of the unauthorised overdraft to his credit file.

Mr C has mentioned in his submissions to this service that he suffered financial vulnerability during this period and he wasn't appropriately supported by Nationwide. In addition he said the impact on his credit file had adversely impacted him.

Nationwide says there's no mention from Mr C in their resolution call to him about suffering from financial difficulties nor any subsequent contact regarding this. They've said however that he is entitled to raise a separate complaint to them directly about this and they'll look into this further.

Having reviewed all of the available evidence I'm satisfied Mr C was notified of the outcome of his chargeback claim and subsequently in the FRL for when he would be re-debited. In addition Nationwide is obligated to report any unauthorised use of an overdraft facility once the transaction was re-debited and so I can't say they did anything wrong here.

Likewise I've not seen any evidence that Nationwide were informed of any financial difficulties relating to this transaction. However this wouldn't form part of the complaint brought to this service regarding Nationwide's handling of the chargeback claim itself. If he remains concerned about the administration of his account following this, he will need to raise a complaint with Nationwide directly so they can investigate further. Therefore I won't be providing a finding on this in this decision.

In summary I appreciate Mr C believes that Nationwide acted unfairly in accepting T's submissions to the chargeback claim. However I must determine if it was reasonable for Nationwide to consider there wasn't a prospect of success had they progressed further based on the evidence available - and I do think they acted fairly for the reasons I stated prior.

I'm also satisfied Mr C was appropriately notified of the chargeback outcome and that he would be re-debited. I therefore can't say Nationwide need do anything more here.

Nationwide didn't provide any further comments however Mr C had additional submissions which I've addressed below:

1/ Mr C considers that saying a letter was sent isn't sufficient to confirm he was notified. However I think it appropriate for Nationwide to have sent this correspondence by a reasonable medium – and I do think a letter would be appropriate, to the correspondence address for the recipient. As this occurred here and a copy was provided to show the letter sent, I think they discharged their responsibility of ensuring Mr C was notified as required.

2/ Mr C doesn't think there is enough evidence to show the items were delivered to him as there wasn't a clear photograph of the parcel and there wasn't a valid second tracking reference. Still, a parcel was shown delivered with a significant weight that would correspond to the large number of items ordered. In addition I've not seen a second tracking reference to correspond to another delivery. Therefore, on balance, I can't say Nationwide then had enough to progress this chargeback claim further as there wasn't a reasonable prospect of success based on the evidence available.

3/ Nationwide also have a duty to report the unauthorised use of their overdraft to Mr C's credit file. From listening to Mr C's calls to Nationwide, it's clear he chose not to pay this sum as he was unhappy with the chargeback outcome. While I appreciate his position, he would've needed to ensure any amounts due were settled to prevent adverse being added to his file. This would've then allowed him to pursue his complaint separately from this. I therefore can't say Nationwide did anything wrong here.

With all of this in mind, my position remains unchanged and I won't be asking Nationwide to 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 C to accept or reject my decision before 21 October 2025.

Viral Patel
Ombudsman