

## The complaint

A company, which I will refer to as S, complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (trading as Tyl by NatWest) has not acted fairly in dealing with a chargeback.

## What happened

S's director told us:

- In November 2022, S took a card payment of £12,995 over the phone. S received an authorisation code, and the funds were transferred to S's bank account.
- He delivered the goods the customer had purchased to the address provided, and obtained proof of delivery.
- The cardholder later disputed the payment, and said they had not authorised it. Their card issuer raised a chargeback on the cardholder's behalf.
- He doesn't think NatWest did enough to protect S, and he doesn't think S should have to cover the full amount of the £12,995 loss given that neither he nor S did anything wrong.
- NatWest initially suggested it would pay a gesture of goodwill, and offered to set up a payment plan, but later withdrew both of those offers.

NatWest told us that it was not able to defend the chargeback. The cardholder's position is that the Card Not Present (CNP) transaction had been made fraudulently. S was not able to demonstrate that the genuine cardholder authorised the transaction, and so NatWest had no choice but to allow the chargeback. The terms and conditions of S's agreement with S allow the bank to pass the full liability for the chargeback on to S.

One of our investigators looked at this complaint, but she did not uphold it. She said that NatWest is required to abide by the rules set by the card scheme (in this case Mastercard), and that NatWest could not defend the chargeback because it could not show that the genuine cardholder had authorised the transaction. She also thought NatWest had behaved fairly after the chargeback dispute had been processed.

Our investigator acknowledged that S's director thought a gesture of goodwill would be appropriate given S's longstanding relationship with NatWest, but she thought any goodwill gestures were entirely a matter for the bank to decide. Finally, she said that based on the evidence she had she didn't think S was experiencing any financial difficulty, but if that changed then S's director would need to speak with NatWest directly about the possibility of a payment plan.

Overall, our investigator didn't think NatWest had done anything wrong, so she didn't recommend compensation.

S's director did not accept our investigator's findings, and reiterated that neither he nor S had done anything wrong. He questioned whether CNP transactions should be allowed (either at all or for amounts over a certain limit), and expressed concern over NatWest's "greed and lack of security".

### **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, whilst I am sorry to further disappoint S's director there is very little that I can add to what our investigator has already said.

I don't think NatWest could have done anything more to defend the chargeback. The CNP payment was taken over the phone, and I think NatWest was right to say that S has not been able to demonstrate that the genuine cardholder authorised the transaction. An authorisation code is not a guarantee of eventual payment; it shows only that there are sufficient funds and that the card has not been reported as stolen. It does not show that the person using the card has the cardholder's permission to do so.

I acknowledge that S's director is concerned that CNP transactions are allowed, but all I can say is that the current rules do allow such transactions. As an ombudsman (and not a regulator), I do not have the power to change those rules. I also note that it is very common for acquirers to allow their merchants to accept CNP transactions, and I don't think that NatWest's actions here are out of line with good industry practice.

I don't underestimate the emotional impact of the fraud on S's director. It's clear that the circumstances that led to this complaint have been very difficult for him. But I don't think NatWest has done anything wrong, and so I cannot uphold this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint against NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY. I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 2 December 2025.

Laura Colman  
**Ombudsman**