

The complaint

Mr C complains Nationwide Building Society didn't do enough to help get a refund for a transaction made on his debit card.

What happened

In December 2023, Mr C purchased flights, paying with his debit card. Mr C then decided not to go ahead with the trip and cancelled the flights via the travel agent's website.

Mr C was expecting a refund, but didn't hear anything further from the website, so contacted Nationwide for help. Nationwide raised a chargeback, which is a means of asking the merchant (travel agent) for a refund via the card scheme provider – VISA. The merchant defended the chargeback, which is to say it didn't agree a refund was due.

Based on the evidence, Nationwide said it couldn't challenge Mr C's chargeback further and closed it in the merchant's favour. Mr C consequently complained.

Nationwide didn't agree it had done anything wrong. It said the merchant defended the chargeback and considering the evidence, against the card scheme rules, it couldn't dispute it further.

Unhappy Mr C referred his concerns to our service. I recently issued my provisional findings, in which I set out the following:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm looking here at the actions of Nationwide and whether it acted fairly and reasonably in the way it handled Mr C's request for help in getting his money back. This will take into account the circumstances of the dispute and how the merchant has acted, but there are other considerations, such as the card scheme rules, which Nationwide must follow and its own obligations.

Mr C paid for the flights using his debit card. This meant the only realistic option available to Nationwide to get his money back was to engage with a process known as chargeback.

The chargeback process provides a way for Nationwide to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the merchant and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme (VISA) and if these are not met, a chargeback is unlikely to succeed. The process provides an opportunity for a merchant to provide a defence to the chargeback and its own evidence in support of that defence. If the merchant continues to defend the chargeback, Nationwide can either accept that defence, if it believes it's valid, or it can ask the card scheme to decide who gets to keep the money – usually referred to as arbitration.

Nationwide raised the chargeback on behalf of Mr C. The merchant defended the transaction, which is to say it didn't agree a refund was due. So, my decision focuses on whether Nationwide acted reasonably in the steps it took after this.

Our Investigator considered that Mr C had cancelled the flights in time and may have been eligible for a refund, so thought Nationwide should have challenged the chargeback further. But, for reasons I'll go on to explain I don't think that was the case, so find it was reasonable for Nationwide to accept the merchant's defence.

The merchant's defence was that Mr C had been provided tickets to board the flight and these hadn't been cancelled by the airline. It also said Mr C had accepted the flights were non-refundable – on this basis it didn't agree Mr C was due a refund.

While I don't think the main part of the seller's defence directly addressed Mr C's dispute, which is that he hadn't received a refund after he'd cancelled the flights, I do think it was reasonable for Nationwide not to progress the dispute further, based on the evidence as a whole. Part of the merchant's defence was that the tickets weren't cancellable, and I think it was reasonable for Nationwide not to challenge the chargeback further on this basis.

I note Mr C received an email from the merchant following the cancellation of the flights which stated:

"We have received your ticket refund request. The ticket has been cancelled and can no longer be used. We will notify you of the result of processing your refund request once the details have been agreed with the airline."

While this confirms Mr C cancelled the flights, it didn't guarantee he'd receive a refund or the amount of any refund. Rather it confirmed that a refund request would be considered.

In response to the chargeback, the merchant stated the flights were not refundable, referencing its terms and conditions, which Mr C accepted before making the purchase. The terms included the following extract:

Flights can be changed or refunded voluntarily (upon customer's request) in accordance with airline rules of the selected fare according to which your booking has been made and tickets have been issued. Please note that according to Fare Rules airlines may charge a penalty for change or refund. Involuntary refunds will be made only if approved by the Supplier (airline).

Ticket cancellation is possible only if approved by the Supplier (airline) and if such service is available on the Website. Usually a ticket cancellation is possible within 30 minutes after booking, but not later than 48 hours prior to departure. Tickets with a departure date less than 48 hours of the purchase date are not subject to cancellation.

From the evidence available, I understand Mr C bought the flights, with the transaction being processed at 4:01pm on 7 December. Mr C's flight was due to depart on 9 December at 10:45am. So, there was less than 48 hours between the purchase and flight departure.

On this basis, I think Nationwide was reasonable to accept the merchant's defence as it set out that the tickets were non-refundable, as it wouldn't have been possible to cancel more than 48 hours before departure.

I've also reviewed the airlines website which states: "Your eligibility for a refund and the refund amount on unused or partially-unused...tickets is dependent on the type of ticket you bought."

So even had Nationwide challenged the chargeback further, I'm not persuaded it would have had a reasonable prospect of success, as I haven't seen anything to say Mr C was entitled to a refund even though he decided not to use the flights.

As a result, while I appreciate this answer is unlikely to be the one Mr C is hoping for, I think Nationwide did what was expected. It raised the chargeback on Mr C's behalf. Having received a defence from the merchant, it considered everything both parties had submitted. In doing so, Nationwide decided not to dispute the chargeback further as it didn't think it had a means to challenge the transaction against the chargeback rules.

I think Nationwide was reasonable in deciding not to challenge the chargeback further, so at this point I haven't found it treated Mr C unfairly in the chargeback process. I therefore intend to say that Nationwide doesn't need to compensate Mr C the value of the transaction or pay 8% interest.

As I haven't found that Nationwide has acted unfairly, I also don't intend to say that it should award Mr C £75 in compensation either.

Responses to my provisional decision

Nationwide responded to say it accepted my findings and had nothing further to add.

Mr C didn't agree, raising the following points:

- He was abroad at the time of buying the flights, so the time difference meant he did cancel within 48 hours of the flight departing.
- The merchant was misleading in its refund promise and saying a refund had been processed. Its defence didn't justify denying his refund.
- The merchant's cancellation terms may have been unfair in law and Nationwide should have checked this.

The complaint has therefore been passed back to me to decide.

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've taken on board Mr C's further comments; in doing so I've reached the same conclusions as those in my provisional decision, so have reached the same outcome. I appreciate this won't be the answer Mr C is hoping for and have explained below why I've reached this decision.

In relation to Mr C's comments about when he booked the flights, the evidence I've been provided outlines the transaction was processed at 4:01PM GMT. So, while Mr C may have been abroad at the time of buying the flights, the evidence shows the booking was made within 48 hours of the flights departing. So, on this basis, I think Nationwide was reasonable to accept the merchants defence that the flights weren't refundable.

In relation to the information the travel agents may have displayed when Mr C looked to cancel, It isn't for me to comment on the ticketing website or its actions in this decision, rather my review must focus on the actions of Nationwide.

So, while I appreciate Mr C may question the travel agent's cancellation terms and the wording of its emails led him to believe a refund would be processed, I'm not able to comment on these points further. Rather in considering the actions of Nationwide in raising the chargeback and then considering the merchants defence before deciding not to take matters further, I think it acted reasonably.

I also appreciate Mr C has said he'll look for clarification from the airline as to the eligibility of a refund for his flights, but my role here is to decide whether Nationwide acted reasonably based on the information it was provided. Alongside the reasons set out above, the merchants defence included that Mr C had accepted its terms of booking before buying the flights, which included the cancellation terms.

As a result, while I appreciate this answer will likely come as a disappointment to Mr C, I think Nationwide acted reasonably in its handling of his chargeback. It raised the dispute when requested, and when the merchant submitted a defence, considered all the evidence before deciding not to challenge the chargeback further. For the reasons set out above, I think it was fair in making this decision. Therefore, I won't be asking Nationwide to refund Mr C the value of the transaction this dispute relates to.

My final decision

For the reasons set out above, I don't uphold Mr C's complaint about his chargeback dispute with Nationwide.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 June 2025.

Christopher Convery
Ombudsman