

The complaint

Mr A complains that The Royal Bank of Scotland plc won't refund to him some payments that he made from his account from March 2022.

What happened

Mr A made payments from his Royal Bank of Scotland bank account using an online payment system to a named individual, acting as a merchant, for some services from March 2022. They included payments in March 2022 of £82.99, £260.49 and £254.25. Mr A submitted a dispute form to Royal Bank of Scotland about those, and other payments, in June 2022 but it says that they were declined due to unusually high levels of claims made in a short period of time on his account.

Mr A complained to this service in June 2024 that Royal Bank of Scotland hadn't refunded the disputed payments to him and this service contacted Royal Bank of Scotland about Mr A's complaint. It sent a final response letter to Mr A in July 2024. It said that customers are required to contact the merchant about disputed payments and only approach the bank if all avenues of communication with them have failed but it had been unable to locate that Mr A had proved the validity of his dispute and provided supporting evidence. It also said that the time frame allowed for chargeback claims to be raised had passed so it didn't have the right to dispute the payments with the merchant.

Mr A's complaint was then looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She said that she was satisfied that, had Royal Bank of Scotland raised chargebacks in June 2022, they wouldn't have been successful so she didn't think that it had done anything wrong in not raising chargebacks.

Mr A didn't accept the investigator's recommendation and has asked for his complaint to be considered by an ombudsman. He says, in summary and amongst other things, that what he paid for was a scam, Royal Bank of Scotland told him to make payments using the online payment system, it took him years to save the funds, and that he contacted the merchant but it never replied.

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.

If a consumer disputes a card payment, the card issuer may be able to make a chargeback claim to the merchant under the relevant card scheme to try to settle the dispute. There's no right for a consumer to require that a chargeback claim be made and the applicable scheme rules set out the disputes that can be considered and the time limits for making a claim. If the right to make a chargeback claim exists under the applicable scheme rules, and if there's a reasonable prospect of success, I consider it to be good practice for a chargeback claim to be made.

Royal Bank of Scotland says that Mr H submitted a dispute form to it about some payments in June 2022, including payments that he'd made using the online payment system to a named individual, acting as a merchant, for some services from March 2022. It says that the disputes were declined due to unusually high levels of claims made in a short period of time on his account and that Mr A didn't follow up on that dispute.

For a chargeback to be successful, Mr A would have had to have provided evidence to show that he had a valid claim against the merchant and that he'd contacted the merchant to dispute the payments but the merchant hadn't agreed to refund the payments to him. Mr A clearly feels that the service from the merchant is a scam and that he says that he contacted the merchant but he's not provided any evidence to support what he says. He's also not provided any evidence to support his claim that Royal Bank of Scotland told him to make payments using the online payment system.

The payments were made from March 2022, Mr A submitted a dispute form to Royal Bank of Scotland in June 2022 and then made a complaint to this service in June 2024. If Mr A had been the victim of a scam, I consider that it would be reasonable to expect him to have taken some action soon after he was told by Royal Bank of Scotland that his dispute had been declined but I've seen no evidence to show that he took any further action about the disputed payments until he complained to this service in June 2024.

The time limit for a raising a chargeback claim is usually 120 days from the payment being made but in some circumstances the time limit can be up to 540 days. When Royal Bank of Scotland was contacted by this service about Mr A's complaint, it was more than 540 days after the payments had been made so Royal Bank of Scotland would have been unable to make chargeback claims at that time.

I'm not persuaded that there's enough evidence to show that Royal Bank of Scotland has acted incorrectly in the way that it dealt with these payments that Mr A disputed. I find that it wouldn't be fair or reasonable for me to require Royal Bank of Scotland to refund the disputed payments to Mr A, to pay him any compensation or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr A's complaint.

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

Jarrold Hastings

Ombudsman