

The complaint

Mr A complains that Nationwide Building Society won't refund to him the money that he paid for a music keyboard.

What happened

Mr A used his Nationwide debit card in December 2024 to pay £2,850 for a music keyboard but he says that a different keyboard to the one that he'd ordered was delivered to him. He contacted the merchant and sent back the keyboard that he'd received and that he says only had a value of about £100. He also filed a dispute with Nationwide and it made a chargeback claim. It didn't keep Mr A informed of the progress of his claim so he complained to it. It offered him £50 compensation for its lack of communication but Mr A didn't accept that offer. The merchant defended the chargeback claim and Nationwide declined Mr A's claim.

Mr A then complained to this service. His complaint was 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 could see that Nationwide took Mr A's dispute seriously and raised a chargeback, but it wasn't successful and she thought that it was fair for the chargeback process to stop at that point as there wasn't a reasonable prospect of success. She said that if Mr A wanted to accept the £50 compensation that Nationwide had offered for its communication lapse, she would expect it still to be available to him.

Mr A didn't accept the investigator's recommendation and has asked for his complaint to be reviewed by an ombudsman. He says that an incorrect item was received, he immediately reported it and returned the wrong item, the merchant hasn't provided any verifiable proof that it sent him the correct item, Nationwide has failed in its duty of care and he's begun legal proceedings against the merchant.

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. In this decision, I'm not deciding the merits of the disputed payment but whether or not Nationwide has dealt with the chargeback claim correctly.

Mr A disputed the payment that he'd made to the merchant as he says that he received a different keyboard to the one that he'd ordered. Nationwide made a chargeback claim. The merchant defended the chargeback claim and provided evidence to show that it had contacted the supplier of the keyboard and the delivery company. It said that its findings showed that the correct item was delivered to Mr A as the supplier had verified that it sent the correct item to the merchant and the delivery company confirmed the delivery weight, which was heavier than the weight of the returned item.

On the basis of the evidence that the merchant had provided to defend the chargeback, Nationwide declined Mr A's claim. I consider that Nationwide had acted correctly, in accordance with the scheme rules, and as I would expect it to by raising a chargeback claim. When the chargeback claim was defended, I consider that it was fair and reasonable for it to decline the claim and I'm not persuaded that it was required to take any further action.

Mr A says that Nationwide failed to keep him informed during the chargeback process, didn't apply a temporary credit and closed the chargeback prematurely, and that its £50 offer isn't proportionate to the distress, financial hardship and loss that he's suffered. Nationwide accepts that there were some communication issues and it offered to pay Mr A £50 compensation. He declined that offer but I consider that it was a fair and reasonable offer for the issues that he'd experienced and I'm not persuaded that a higher award of compensation would be justified in these circumstances.

Card issuers normally give customer a temporary refund of the disputed payment during the chargeback process, but there's no requirement for a card issuer to do. Nationwide didn't apply a temporary credit of £2,850 to Mr A's account, but I'm not persuaded that there's enough evidence to show that it acted incorrectly in not doing so and I don't consider that it would be fair or reasonable for me to require Nationwide to pay any compensation to Mr A because it didn't apply a temporary credit to his account. I don't consider that Nationwide closed the chargeback prematurely.

I find that it wouldn't be fair or reasonable in these circumstances for me to require Nationwide to refund to Mr A the £2,850 that he paid for the keyboard, to pay him any compensation or to take any other action in response to his complaint. If Mr A now wishes to accept the £50 compensation that he's been offered, he should contact Nationwide.

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 31 July 2025.

Jarrold Hastings
Ombudsman