

The complaint

Mr F has complained about Coutts and Company's (Coutts') handling of his chargeback claim.

What happened

Mr F purchased a lawnmower from a supplier I shall call 'B' on 22 February 2022 to the sum of £5,599 on his Coutts charge card but says it was never delivered. He says he was given differing delivery dates until he lost contact 18 months later in October 2023.

As the matter remained unresolved, Mr F contacted Coutts to raise a chargeback claim against B and a Consumer Credit Act 1974 ("CCA") section 75 claim ("S75") against Coutts.

Coutts considered Mr F's chargeback claim and said this was raised outside the time limits set by the card issuer. They also said that it wasn't possible to raise a S75 claim as the payment had been made by a charge card rather than a credit card.

As Mr F was dissatisfied with this response, he raised a complaint with Coutts about their handling of his claim. Coutts issued a final response letter (FRL) on 15 February 2024 confirming their position and the fact they didn't think they'd done anything wrong.

Mr F didn't accept Coutts position and referred his complaint to our service. He said he thought he held a credit card with Coutts rather than a charge card and that he'd never been made aware of this. He said he'd never have chosen the card had he known he wouldn't have been covered under S75.

Our investigator considered Mr F's complaint but didn't think Coutts had done anything wrong. They said Coutts were entitled to decline the chargeback claim as it was out of time and likewise there wasn't a possibility of a S75 claim for a purchase under the charge card. They also considered Mr F's complaint regarding misrepresentation of the card but said there was insufficient evidence that Mr F couldn't have known it was a charge card rather than a credit card.

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

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 read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Coutts aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their role as a provider of financial services. In doing so I note that because Mr F paid for this transaction using his charge card, a chargeback could possibly help him. So in deciding what is fair and reasonable I've focussed on this. I will also address what this means regarding a S75 claim as Coutts has said this isn't possible here.

Chargeback

There is no requirement for Coutts to raise a chargeback, but it's often good practice to do so. However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the card scheme rules (in this case VISA as stated at the top of Mr F's charge card statement for February to March 2022 during which the purchase was made). I've considered the relevant chargeback rules in deciding whether Coutts acted fairly.

There are strict time limits that Coutts must adhere to which were set by the card issuer VISA. These state that cardholders have no more than 120 days from the original transaction or expected delivery date to file a dispute.

I note that if a chargeback had been raised, it would've been under the chargeback code 'Merchandise / Services Not Received'. When considering time limits for this chargeback reason, VISA's rules state that the dispute must be processed either:

- within 120 days of the last date the cardholder expects to receive the goods or services (not to exceed 540 calendar days from transaction)
- within 120 days of the date the cardholder was informed the goods/services would not be provided (not to exceed 540 days from transaction).

In this case Coutts internal notes confirm a chargeback claim was raised in January 2024. I see from Mr F's card statements that the purchase was on 22 February 2022. This means 540 days elapsed in August 2023 and so the claim was out of time when subsequently raised with Coutts at the start of 2024.

While I appreciate Mr F said that he was given changing delivery dates for 18 months, that would be a significantly prolonged period to keep waiting. And as a result the chargeback claim was then raised too late with Coutts regarding VISA's time limits. I therefore agree with our investigator that Coutts didn't do anything wrong in not raising a chargeback claim.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

But for there to be a valid claim under S75 there are certain criteria that also need to be satisfied and this includes the type of credit used for the purchase. Charge cards are not covered by S75 although credit cards are. On review of Mr F's card statement, I see it says Coutts Silk Charge Card. I've also reviewed an example agreement from the time Mr F took out the card in 2010 and can see it states that the card balance would need to be repaid in full at the end of each month.

This would be in line with how a charge card would function and I'm satisfied that Mr F's card wouldn't be covered by S75 here and so Coutts were entitled to decline the claim.

In terms of Mr F's comments that he wasn't aware his charge card was a credit card, I understand this has now been raised with Coutts directly to investigate in the first instance. I therefore won't be commenting on it further here.

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 F to accept or reject my decision before 8 July 2025.

Viral Patel
Ombudsman