

The complaint

Mr G is unhappy with the way Vanquis Bank Limited dealt with a dispute he raised for a payment he made using his credit card.

What happened

Mr G bought a screen protector from a shop I'll call S in January 2025. He said he was meant to pay £10 for it. He said he paid £6 in cash, and he wanted to pay £4 using his Vanquis credit card through contactless payment. However, S charged him £40 instead. Mr G said that he told S about the mistake straightaway and asked for a refund of £36 but S said it couldn't do that using its payment machine and didn't have cash to give Mr G his money back. Mr G said he was told to raise it with his financial services provider. Mr G contacted Vanquis but was told that as the transaction was still pending it couldn't raise a dispute. When Vanquis was able to investigate the dispute, it asked Mr G for a receipt to show that he was only meant to pay £4. However, Mr G said that he didn't receive a receipt from S.

Vanquis said it couldn't process a chargeback for an incorrect amount charged without an invoice or receipt. It also said that as the amount would have been displayed before using contactless payment, Mr G should have questioned this with S before authorising the transaction.

Mr G was unhappy as he said he was told when he first called Vanquis that he would be given a refund or be refunded through a chargeback claim. He's unhappy he hasn't got the difference in the amount he paid and what he was meant to be charged.

An Investigator reviewed Mr G's complaint, but didn't uphold it. He explained that Vanquis asked for the appropriate information for a chargeback dispute, and because Mr G was unable to provide this, it didn't act unfairly when it didn't raise a chargeback. He also explained that the transaction didn't meet the requirement for a claim under Section 75 of the Consumer Credit Act 1974 (Section 75) to be considered.

Mr G disagreed and said that he asked for the payment to be stopped and was reassured that he would receive a refund.

As the complaint remained unresolved it's been passed to me for decision.

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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr G and Vanquis that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't

considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I understand Mr G said he thinks S acted fraudulently by taking a higher sum than he expected. However, I'm only considering a complaint about Vanquis and not S. Mr G paid S using his credit card and authorised the transaction. I appreciate he called Vanquis to block the transaction, however, I don't think the payment could have been stopped after it had been authorised. So, the only recourse for Vanquis helping Mr G getting his money back was through the chargeback process or considering a claim under Section 75.

Section 75 is a statutory protection that allows Mr G to bring a like claim against Vanquis where there has been a breach of contract or misrepresentation by the supplier of goods or services paid for by a credit card. But there are certain conditions that need to be met for Section 75 to apply, one being the cash price of the goods or service must be more than £100 but no more than £30,000. As the transaction was under £100, I don't think it met the financial limits for a claim under Section 75 to be considered. So, I won't consider if Vanquis should've considered a Section 75 claim any further.

Chargeback is based on the relevant card scheme rules. In this case it's the Visa scheme. A card issuer can attempt a chargeback on behalf of a cardholder where they dispute a transaction with a merchant, if it meets the criteria of the rules. A chargeback is not guaranteed to succeed, and a card issuer does not have to raise one.

However, it would be considered good practice to pursue a chargeback where there is a reasonable prospect of success. Although not all circumstances where something has gone wrong with the merchant, will mean the claim is successful. Vanquis didn't progress the chargeback claim because it didn't think there was a reasonable prospect of success, and I don't think based on the circumstances it acted unfairly. I'll explain why.

The most relevant chargeback condition would have been "Incorrect Amount". This is where a dispute can be raised on the basis that the cardholder was billed the incorrect amount and dispute the difference paid. In order for Vanquis to have raised a chargeback under this condition, the rules specify evidence of a transaction receipt or a record with the correct transaction amount Mr G was meant to be charged, needed to be provided. Mr G said he was told the details of the transaction would be on his credit card statement by S. Although this is correct – the amount debited is shown on his statement – in order to raise a chargeback under the scheme rules, Vanquis needed to provide the transaction receipt, including the description of the goods and the transaction amount which showed that Mr G was expected to pay £10 for the screen protector. As Mr G was unable to provide this when Vanquis asked him for additional information, I don't think it was unreasonable that Vanquis didn't process a chargeback because I think it's unlikely there was reasonable prospect of success without this information.

Mr G has said he was told he would get a refund from Vanquis or through the chargeback process. I can't see Vanquis' contact notes reflect that Mr G was told he was guaranteed a refund. However, I can see Mr G was told quite quickly that Vanquis required more information before it could progress a chargeback claim and the outcome when it didn't receive the information it needed. As Mr G authorised the transaction and I'm satisfied that Vanquis didn't act unfairly when it didn't process the chargeback claim I won't be asking it to refund him any money or pay any compensation.

Therefore, while I know it'll disappoint Mr G, I'm not going to direct Vanquis to take any further action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 August 2025.

Amina Rashid
Ombudsman