

The complaint

Mr and Mrs F complain that Nationwide Building Society will not refund in full a payment which they say was taken fraudulently from their account. Family members have represented them at various stages, so where I refer to their arguments and submissions, I include those made on their behalf.

What happened

In September 2024 Mr and Mrs F say they were contacted by a company, which I'll call "D", offering to renovate their bathroom. They paid a deposit of £5,600, using their Nationwide debit card, on 16 September. That represented half the cost of the renovation. Work was to start as soon as possible – which they say was agreed to be 19 September.

Nobody attended to start work on 19 September and, when nobody attended the following morning either, Mr and Mrs F contacted D to cancel the work and request a full refund. They believe by this point that D was not a legitimate company and that it was operating a fraudulent scheme.

D refused to provide a refund, and Mr and Mrs F contacted Nationwide, asking it to raise a chargeback. That was unsuccessful, so Mr and Mrs F raised a complaint. Nationwide made a further attempt to raise a chargeback, but D again defended its position. It said that it was not correct that Mr and Mrs F had received nothing. D said it had attended Mr and Mrs F's property on 18 September to survey the work needed and to take measurements and specifications. It had already sourced and paid for some of the materials. D also said that a partial refund had been agreed and that it had reimbursed £5,000.

Mr and Mrs F did not think that Nationwide had handled the refund request fairly. Amongst other things, they said that D's evidence showed it was acting fraudulently and that D had only agreed to a partial refund because the police were actively looking into that fraud. They said too that D was in breach of relevant consumer protection legislation.

Mr and Mrs F referred the matter to this service, where one of our investigators considered what had happened. He did not recommend that the complaint be upheld. In doing so, he stressed that he was considering a complaint about Nationwide's handling of the refund request, not a complaint about D.

Mr and Mrs F did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

Like the investigator, I stress that I am not considering a complaint about the actions of D. The complaint which has been referred to this service concerns Nationwide.

The chargeback scheme is run by the card schemes (here, Visa) and can be used to resolve certain disputes arising from card payments. That can include cases where goods or services have been paid for but not provided. That is what Mr and Mrs F say happened in this case.

There is no legal or regulatory obligation on a card issuer to pursue a chargeback, although we generally expect a card issuer to do so where there is a reasonable prospect of success.

Here, D said that Mr and Mrs F had accepted a resolution – namely, a refund of £5,000. Mr and Mrs F dispute that, saying the refund was made as a result of police involvement. In my view, however, it would be surprising if the police were to intervene in the manner suggested. I note too that Mr and Mrs F said after the investigator sent his assessment that the police fully expected Nationwide to make a full refund. I have seen nothing to support that assertion.

D says that it attended Mr and Mrs F's property on 18 September 2024, when measurements were taken and samples reviewed. Work was to start on 20 September, not 19 September. By the time Mr and Mrs F cancelled the contract, therefore, D says it had done one day's work and paid for some supplies which were not refundable. It said the costs incurred by the time of the cancellation were more than £1,300.

I think it likely that D had carried out some preliminary work. It would have had to do so before beginning the renovation.

Mr and Mrs F say that the evidence that D had paid for some supplies – in the form of a third party invoice made out to D by a supplier – is fake. That is because the VAT included is not consistent with the price. I agree that the invoice does not appear to “add up”. But that may be down to an innocent error on the part of the supplier. I don't think I can fairly conclude that it shows that D set out to defraud Mr and Mrs F, still less that they should receive a refund from Nationwide.

I note too Mr and Mrs F's comments about consumer protection legislation and their arguments that D was in breach of various regulations. As I say, it is not for me to say whether D is in breach (either in this case or more generally).

What I must decide is whether Nationwide acted fairly when Mr and Mrs F sought a refund. In my view, it did. It considered the evidence and arguments and attempted a chargeback, which was defended by D. I think Nationwide's conclusion that pursuing matters any further was unlikely to result in a successful outcome for Mr and Mrs F was a reasonable one in the circumstances.

My final decision

For these reasons, my final decision is that I do not uphold Mr and Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 4 August 2025.

Mike Ingram
Ombudsman