DRN-5640357

The complaint

Mr O complains that Home Retail Group Card Services Limited trading as Argos Financial Services ("HRG") handled his claim.

What happened

In August 202 Mr O bought three items from Argos which he paid for with his HRG credit card account. The three items were a gaming console, a headset and a game. Mr O said these were not what he wanted and so he arranged with Argos for them to be replaced. They were collected by a courier and Mr O says he was told the replacements would be delivered later.

He then received a text to say the console wouldn't be delivered and he contacted Argos the following day when he says he was told the item was out of stock and he would get a refund. He received a refund for the headset and the game, but not for the console. He complained and was told that the console had not been returned and he was not due a refund.

He brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. He reviewed the collection photographs and concluded that the console had not been returned and so no refund was due.

Mr O didn't agree and said the photo provided by HRG was misleading and the console had been returned. He said that Argos and its courier had been unhelpful and had given confusing messages. He also expressed concern that a record of his calls had not been retained and that the burden of proof had fallen on him.

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.

Having reviewed all the evidence provided by both parties I do not consider I can uphold this complaint. I will explain why.

There were two routes available to Mr O in pursuit of his claim. He could claim under section 75 Consumer Credit Act 1974 ("s.75") or he could ask HRG to make a chargeback.

S. 75 allows consumers who have purchased goods or services using a credit card to claim against their credit card issuer in respect of any breach of contract or misrepresentation by the supplier of the goods or services, so long as certain conditions have been met. These conditions are, broadly speaking, that the claim needs to relate to items costing more than £100 and no more than £30,000, and that the claim needs to be against the same entity which has accepted the credit card payment.

Chargeback is a voluntary scheme run by the card scheme operator to process settlement disputes between the card issuer such as HRG – on behalf of the cardholder (Mr O) – and the merchant. It is not a legal right that the cardholder has.

The card scheme operator sets the chargeback rules and time limits for transactions made using the card scheme. And it is the scheme operator that decides whether a chargeback is successful – the card issuer simply makes a request on the cardholder's behalf. If the card issuer knows it is out of time, or is unlikely to succeed, I wouldn't necessarily expect it to raise a chargeback.

I do not think either route works for Mr O. He is making a claim so the onus is on him to demonstrate that he is entitled to a refund of the money paid for the console. I appreciate Mr O disputes the evidence of the photos taken at the point of collection, but I find them persuasive. They show not only the boxes, but the goods which had been taken out of their boxes. The games console box is shown to contain a telephone console. Argos has also told HRG that when the box was checked on return to the warehouse there was no games console inside. I am satisfied that the games console was not returned.

That means there has been no breach of contract as required by s.75, nor are there any grounds under which a chargeback claim would have been successful.

Mr O also complains about the lack of clarity in the communications from the courier and Argos. However, his complaint is against HRG and my powers do not extend to dealing with the behaviour of the merchant.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 8 September 2025.

Ivor Graham
Ombudsman