

The complaint

Miss R complains about the way TSB Bank plc (“TSB”) handled a claim she made in respect of a transaction made with her credit card.

What happened

Miss R used her TSB credit card to purchase some goods from a retailer, who I’ll refer to as “S”. Miss R told this service that she placed an order for a necklace and when she received the parcel, it was damaged, and the necklace was missing.

Miss R said she made contact with S, but it didn’t resolve the issue. And so she made contact with TSB to make a claim for a refund of the cost of the necklace she says she didn’t receive.

TSB submitted a chargeback for Miss R, but it was defended by S, and ultimately TSB decided not to take the dispute further. It said it had received sufficient evidence from S which it felt was enough to show that S had sent the necklace to Miss R. It didn’t process Miss R’s dispute as a Section 75 claim, it explained to this Service that it hadn’t done this because it felt it would have been rejected.

Our Investigator upheld Miss R’s complaint in part. It didn’t agree Miss R’s complaint about the missing necklace should be upheld. That’s because they felt TSB had correctly followed the chargeback process and had acted appropriately in deciding not to pursue it further. The Investigator explained that they hadn’t seen a clear breach of contract that ought to have led TSB to consider Miss R’s claim under Section 75. The Investigator did however think that TSB should have been clearer in communicating to Miss R that it was going to remove the refund from her account, and so they felt an award for distress and inconvenience was appropriate – they recommended TSB pay her £100.

Neither party agreed with how the Investigator proposed things should be settled. Miss R didn’t think the award for distress and inconvenience was sufficient. And she didn’t think the Investigator had reached a fair outcome in relation to her dispute about the necklace.

TSB explained that while it couldn’t provide a copy of the letter it sent to Miss R, letting her know it was going to remove the temporary refund for the necklace, it was able to provide evidence the letter was sent, and it provided a copy of a follow up email it sent to Miss R once the refund had been removed.

Because an agreement couldn’t be reached, the complaint was passed to me to decide on the matter.

I previously issued a provisional decision on this case. That’s because it was my intention to come to a different outcome to the Investigator. Because of this, I wanted to give both parties the chance to respond with anything else they wanted me to consider before I came to my more final decision on the matter.

I have copied my provisional findings below, which also forms part of this final decision.

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having considered all of the evidence available to me I don't intend to uphold Miss R's complaint. I appreciate this will come as a disappointment to Miss R, however I will explain my reasons for this below.

I'm sorry to have read of the issues Miss R has had with S. However, as TSB aren't the supplier of the goods, I can only consider whether it acted fairly and reasonably in light of its role as the finance provider.

In deciding if TSB has acted fairly and reasonably, I've thought about the ways it could have helped Miss R get a refund for the item she says she didn't receive. In this case, I consider the chargeback process and Section 75 of the Consumer Credit Act 1974 ("Section 75") to be relevant.

Chargeback

The chargeback process provides a way for the card issuer – in this case TSB – to help a customer claim a full or partial refund of the amount they paid on their card, if certain things go wrong with what they've purchased.

The process is overseen by the card scheme – in this case, MasterCard. Card schemes set out various rules covering things such as what sort of scenarios are eligible for chargeback, the kind of evidence required, and the timescales for a chargeback to be raised.

Generally speaking, it's good practice for a card issuer to attempt a chargeback where the right exists and there's some prospect of success. That said, they're not guaranteed to be successful, and a consumer isn't able to demand that their card issuer attempt one. A chargeback can be defended too; the party which received the payment – in this case S – can resist a chargeback attempt. If neither the consumer nor the merchant concedes then, ultimately, the card scheme itself can be asked to rule on the dispute in a process called arbitration.

TSB raised Miss R's dispute under the chargeback scheme, and I've considered what both parties have said about the chargeback along with the wider evidence about the scheme rules to decide if TSB acted fairly and reasonably in handling the claim.

I can see Miss R raised the dispute using an online form. She selected the option on the form to say, "The goods or services I received do not match what I ordered or the goods were faulty/damaged". Later in the form, Miss R provides TSB with a brief explanation as to what had happened. In summary, she explains that she received a parcel that where the front part was sealed, but the bottom of the parcel had been tampered with. She explained that she wanted a refund as the parcel she received was empty. TSB began the process of the chargeback on this basis. While TSB hasn't provided any evidence of what code it used to process the chargeback, I've considered that the most appropriate here would have been "Goods or Services Not Provided". So I've taken these part of the chargeback rules into account when deciding Miss R's case.

TSB received a response from S to support its view that it had packaged and sent the necklace to Miss R. S provided TSB with evidence to show the weight of the parcel that was recorded by the delivery company when it first received it. S said that the weight of the parcel confirmed the item was inside, as an empty parcel wouldn't weigh as much as the

0.5kg the delivery company had recorded. S also said that the photo taken when the parcel was delivered shows the parcel was intact at delivery.

Based on the evidence provided by S, TSB took the decision not to continue with Miss R's dispute and it charged the cost of the missing item back to her credit card.

Where the merchant defends a claim, it's up to TSB to decide whether or not to take the dispute further and ultimately on to arbitration to be decided by MasterCard – and it would usually only do this if it thought it had a reasonable prospect of success. I can't know for certain what view MasterCard would have held had the chargeback been taken to arbitration, however, I think on balance, S's arguments and evidence would have been favoured over Miss R's.

I say this because S's evidence shows the parcel weight, which appears too heavy for it not to have included the necklace. I've done some research into the approximate weight a parcel would expect to have been had it included the necklace. I'm satisfied that the weight the delivery company recorded is around the weight one would expect it to be had it included the item.

S's evidence also shows the box was delivered without being damaged or appearing to have been tampered with. Miss R refutes that the parcel was intact when it had been delivered. She has sent photo's that she says were taken once she received the parcel. The photo S has provided appears to have been taken from a different angle to where the damage is shown in Miss R's photos. The photos she has sent show a highly damaged parcel, which I think would have been obvious as soon as it had been passed to her by the courier. If a parcel had been received like this, in my view, it would have been reasonable for her to have questioned this at the time it was received with the courier, and to have checked the item inside was still there given the extent of damage to the parcel.

That being said, ultimately, the evidence here is contradictory. And where evidence is missing, or contradictory as is the case here, I've to decide on balance, what I think is most likely to have happened. From what I've seen, the evidence supports S's assertions that the item was sent. I accept it's possible that the box could have been damaged in transit, but the photos S has provided of the delivery don't support this.

So taking all of this into account, on balance, I think it's more likely the necklace was sent to Miss R by S. It follows that based on everything I've seen; I'm satisfied that TSB acted fairly and reasonably when it considered Miss R's chargeback.

Section 75

Section 75 allows Miss R to make a claim against TSB in respect of the item she bought using its credit. However, for Section 75 to apply, certain criteria need to be satisfied relating to things like the parties to the transaction, the way the payment was made and the cost of the goods. I'm satisfied this is met and Section 75 applies here.

TSB didn't raise a Section 75 claim for Miss R, as she says she wanted it to do. I would have expected TSB to have considered Miss R's dispute as a Section 75 claim, as it had the option to. So I've thought about whether considering Miss R's claim under Section 75 would likely have to have got her a refund, but I don't think it would have.

For a Section 75 claim to be successful, there would need to be evidence of a possible breach of contract, or a misrepresentation. But in this case, I've not seen any persuasive evidence of either of these things, for broadly the same reasons I've set out above. So, while TSB could have considered the claim under Section 75, I don't think doing so would have led

to a different outcome for Miss R, as I haven't seen any evidence that makes me think that a Section 75 claim would have been successful.

Customer Service

Miss R says that TSB provided her with poor service when dealing with her claim. She says that TSB reversed the refund for the item without telling her, which also resulted in her being charged a lot of interest.

Neither party agree with the Investigator's intended resolution here, and so I've considered the available evidence to decide what I think it most likely to have happened.

I can see from TSB's notes that on 20 November 2023, TSB sent Miss R some communication to let her know that it had processed her dispute, and it had credited her account with the amount of the dispute. The communication appears to have also explained that if the merchant provided evidence to dispute the claim, then it would re-debit her account.

There's another note on 28 December 2023, which states that the merchant disagrees with the chargeback. And a letter had been sent with details of the evidence provided, and that the account would be re-debited.

TSB hasn't been able to provide me with a copy of the letter, but I'm persuaded TSB more likely than not made Miss R aware that it could re-debit her account if the merchant defended the claim.

I've also considered Miss R's comments in relation to the interest she incurred as a result of the re-debit. Looking at the statements provided to me by TSB, it doesn't appear that Miss R was charged interest on any of the balance on her account until around July 2024. So, I'm not persuaded that Miss R was charged interest as a result of TSB re-debiting her account. And in any event, for the reasons I've already explained, it wasn't wrong of TSB to have re-debited Miss R's account.

Overall, I'm persuaded TSB's handling of Miss R's claim was satisfactory, and I don't currently find that it should pay Miss R an award for compensation".

TSB responded to say it had nothing further to add.

Miss R didn't respond by the deadline.

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.

Given that neither party has provided me with any additional information or evidence to consider, I see no reason to depart from the findings made in my provisional decision. It follows that I don't uphold Miss R's complaint.

My final decision

For the reasons set out above, I don't uphold Miss R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 22 July 2025.

Sophie Wilkinson
Ombudsman