

The complaint

Mr S complains about a claim he made to Starling Bank Limited (Starling) in respect of a refund not having been processed following a return of goods purchased.

What happened

In January 2024, Mr S purchased a new laptop via eBay from a private seller. The laptop cost was £3,221.14 and payment was made via debit card. Mr S states that the laptop was faulty and so he initiated a return, received a shipping label from the seller and sent the item back. eBay confirmed the returned parcel had been received by the seller and a refund would be processed, however Mr S did not receive a refund.

In February 2024, Mr S contacted Starling to raise a chargeback dispute. Starling gathered information from Mr S and raised a dispute with eBay. eBay defended the dispute and on review, Starling made the decision not to proceed any further with the dispute. Starling told Mr S that there was a weight discrepancy with the parcel and as it could not successfully establish that the goods were returned successfully, a refund could not be applied to Mr S's account.

Mr S raised a complaint and Starling defended its position. It said the next steps would be for Mr S to raise a dispute with the post office, and it had handled his chargeback dispute fairly. Mr S brought his complaint to our service. He said he had provided sufficient evidence to show he had initiated a return, that the parcel was delivered, and that he had not received a refund as promised.

Our investigator reviewed the information available and upheld the complaint. She said the defence provided by eBay was contradictory and Starling should have taken the dispute forward to arbitration. Our investigator thought that had this been done, the dispute would likely have been successful and so she asked Starling to return the cost of the laptop to Mr S and awarded additional 8% interest.

Mr S agreed with the outcome, however Starling disagreed and cited issues which called in to question Mr S's credibility. As our investigators opinion did not change, Starling asked for an ombudsman to consider the complaint. I issued a provisional decision in which I said:

What I've provisionally 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 would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this,

and this reflects the nature of our service as a free and informal alternative to the courts.

I also think it's worth clarifying that I'm deciding whether Starling acted fairly in assisting Mr S with his dispute against eBay. I'm not making a finding on the underlying dispute Mr S has with eBay. Starling did not fail to return the money that Mr S is attempting to recover, so when considering what's fair and reasonable, I'm only considering whether Starling acted in line with its obligations as a provider of financial services.

As Mr S made payment for the laptop via his current account, the only avenue open to Starling to raise a payment dispute is via a chargeback. Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

When the dispute was first raised, Starling gathered more information about the dispute from Mr S in order to help it build the strongest case possible before raising the dispute. This was a helpful step for it to take. I note that Mr S was not able to provide all the information that Starling was asking him for, but did insist that what he had previously told Starling be read carefully and a dispute be raised. Starling actioned his request accordingly, and again, I find no fault with this.

The merchant disputed the chargeback and provided evidence to support its position. Having reviewed the information submitted, I agree with the investigator that there are concerns over the information provided. eBay state that there were no communication attempts between Mr S and the seller, however the seller confirmed Mr S initiated a return in their comments to eBay. Mr S has provided evidence of his journey through the return system and evidence to support a parcel was returned to the seller. And Mr S has provided evidence to support that when he sent the parcel, the weight was more than an empty box would weigh.

Having reviewed the contradictory information submitted by eBay, I am minded to find that there was a failure on the part of Starling back to not question some of the information provided. Having established that, I now need to consider whether it was likely that a different outcome would have been reached had Starling pursued the matter further.

Starling has raised that there were weight discrepancies between the returns label and the post office certificate. I note Mr S has said the returns label was provided by the seller after he initiated a return, so I do not give much relevance to the weight listed on the returns label which needed to be affixed to the package. The post office certificate does however provide the exact grams the parcel weighed when it was brought in for return. This weight may be a little more than expected but suggests that more than an empty box was returned.

The seller has confirmed that the postal service reviewed this delivery, and it had gone to an incorrect address and had a weight mismatch. The information suggests the parcel went to the right address, so I think the weight mismatch is the more relevant issue. It is possible that the parcel was tampered with on route to create a weight mismatch. However, if we take a step back and look at this, there is currently no definite evidence to suggest that the seller received the goods back as previously issued in order for them to process a refund. I am not saying this is Mr S's fault, and I understand how disappointing this would be for him, but if the laptop was intercepted on the way and did not in fact reach the seller, then I am minded to find that eBay could successfully defend the dispute on this basis. I find it difficult to agree that the chargeback would have gone on to be successful in light of the laptop now effectively having gone missing. Proof of Mr S having posted a parcel to the seller is not

enough to overcome this and so I am minded to find the chargeback outcome would have remained the same even if Starling had pushed this matter further.

The other matter I would like to explore is the quality of the evidence provided by Mr S. We have received evidence of two different returns requests – one being that the laptop was faulty and one that the item was no longer needed. And I do not find that we have received a satisfactory explanation for why there are two. In addition, Starling has pointed out that there are formatting issues with the documents supplied by Mr S, and I agree. The change of font sizes, and alignment call in to question the credibility of the account provided and evidence supplied by Mr S.

When this is considered alongside all of the other information available, I am minded to find that neither Mr S nor the seller/eBay has submitted their case in a way which fully supports their position. On balance, when considering how the chargeback process works and the types of information required in order to raise a successful claim, I do not find that had it been taken further, the dispute would have been successful. So, despite errors made by Starling, I am not minded to find that the outcome of the dispute would have been different had it done more. I understand this outcome will be disappointing for Mr S, but I am not persuaded that Starling should be held liable for his loss based on the evidence available.

Starling accepted the provisional decision and had nothing further to add. Mr S disagreed with the outcome and said the following:

- The agent made an error when initially logging the return, Mr S corrected this and the return slip generated contained the correct return details which is that the item was defective.
- The seller's position was logically incoherent, delivery of the returned item to the seller was confirmed, and we should not speculate on mail fraud or tampering unless there is proof of the same.
- The weight discrepancy of the item was to be expected as the label weight limit was determined by eBay during the returns process, whilst the postal service confirmed the exact weight of the item being returned.
- eBay acknowledged delivery of the return to the seller and there is no evidence to say it was not received.
- The evidence supplied by Mr S confirms return and delivery of the item to the seller, and the seller's position was incoherent, unsupported and speculative. This points to a scam tactic where sellers claim they haven't received a return.

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 the further submissions provided by Mr S and all of the information and evidence supplied on this complaint, I have reached the same outcome as outlined in my provisional decision. I will address the points Mr S has raised in his response to the provisional decision here.

I accept Mr S's explanation for why there were two return requests and thank him for providing this information. Although this allays some of my concerns, it does not overcome all of them.

I have considered what Mr S has said carefully, however I need to consider what the likelihood of a successful chargeback dispute would have been based on the information available at the time, rather than making a determination on the relative merits of the dispute myself.

The seller has said the matter was investigated by the postal service and the box did not contain the item. Despite Mr S placing weight on eBay's confirmation the parcel was delivered, this was likely an automated update service or was based on tracking and delivery information. It confirms a parcel heavy enough to contain the laptop was sent back to the seller but does not confirm that the laptop was successfully received by the seller, thus completing the actions necessary to warrant a refund.

Ultimately, Starling had two sets of contradictory evidence both from Mr S and from eBay. The scope of a chargeback claim is limited and whilst the evidence remained contradictory to the extent that it did, I find it unlikely that if taken to arbitration, that this would have resulted in a successful claim.

In my provisional decision I had agreed that the seller provided contradictory information, and this affected the strength of eBay's position. I also agreed that the weight discrepancy was not an issue in the way Starling had made out. And yet, I could not conclude that Starling should take responsibility for the claim as we continue to be in a position when the buyer has said they have sent the return, and the seller has said they have not received it.

Mr S places much stock in the evidence he has supplied, but as explained previously Starling had some doubt over the authenticity of that evidence based on formatting issues, and I do not find these to be unfounded. Overall, I find it unlikely in those circumstances, and despite the evidence put forward by Mr S that even if Starling had done more to assist Mr S when eBay defended the claim, that the claim would have been successful. So, I don't find that Starling treated Mr S unfairly when handling his chargeback dispute.

My final decision

My final decision is that I do not uphold this complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 August 2025.

Vanisha Patel
Ombudsman