

The complaint

Ms O complains that Nationwide Building Society didn't do enough to help her, when she told it about a dispute she had with a merchant. The goods in dispute were partly paid for by direct debit from Ms O's Nationwide current account.

What happened

In January 2024 Ms O purchased a top for £40 from an online merchant. Ms O paid a total of £45, including shipping costs. She paid via a digital wallet which had a balance of 50p and had set up a direct debit with her Nationwide current account which she paid the remaining amount of £44.50.

Ms O says her order didn't arrive. She contacted the merchant requesting a refund however this wasn't paid. She says she was told by her digital wallet provider to raise a dispute with Nationwide. Ms O says she was passed back and forth between the digital wallet provider and Nationwide. And was eventually told by Nationwide that she was out of time to raise a chargeback dispute. Ms O has since discovered that raising a chargeback wasn't possible in any event, so she feels she's been misled by Nationwide.

Nationwide responded to her complaint. It agreed that on 12 November 2024 Ms O spoke to it about a disputed payment. However, she was told she was outside the time limits to raise a chargeback. It said that given the information provided, this was correct information. It was unable to evidence any other calls to dispute the payment or raise a complaint with Nationwide.

Nationwide considered the matter further and explained that because the payment was made via a direct debit, she couldn't raise a chargeback.

One of our investigators considered the complaint. They agreed that a chargeback couldn't be raised on a direct debit payment. So, they didn't think that Nationwide had handled the chargeback unfairly. They also considered whether the direct debit guarantee could help in this situation. However, they concluded that it was more applicable for payment errors not contractual disputes with a merchant. So, they didn't think there was steps Nationwide could take to recover the funds paid.

Ms O didn't agree and so the complaint was passed to me to consider.

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 done so, I'm not going to uphold this complaint. I appreciate this will be disappointing for Ms O.

I've read everything that the parties have said, but 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. And our rules allow me to do this. This reflects the nature of our service as a free and informal alternative to the courts.

Chargeback

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, or where goods or services aren't as described. However, it requires the payment to be made using an applicable card.

On the facts of this case, Ms O paid using a digital wallet and (the majority of the transaction) was paid through a direct debit from her Nationwide current account. So I agree that it wouldn't be possible for Nationwide to raise a chargeback to recover these funds and I don't think Nationwide acted unfairly by not doing this.

Direct Debit Guarantee

Our investigator considered whether there was anything else Nationwide could consider to help Ms O recover the direct debit amount paid. The direct debit guarantee allows for payments to be returned where there has been an error. However, I don't think there was an error in this case. Ms O wanted to purchase the top and so agreed for the direct debit to be taken. So I don't think the direct debit guarantee could help in these circumstances or that Nationwide acted unfairly if it didn't explore this.

Customer service

Ms O has made a number of arguments about the poor service she's received from Nationwide. Nationwide has agreed that during a call in November 2024 it informed Ms O that she was out of time to raise a chargeback. I don't think it was unreasonable for a call handler at Nationwide to give her this information. They hadn't completed an investigation into the dispute and so when Ms O called to dispute a payment made in January 2024, I think it was reasonable that the call handler tried to manage her expectations in this way.

Ms O has said she made a number of earlier calls to Nationwide to raise a dispute and then to subsequently raise a complaint. Nationwide asked for other numbers she may have called from to try and locate these calls. Ms O initially said she didn't want to give her work telephone number. She's since said this was a withheld number. Taking into consideration everything she's told us, I think her testimony lacks detail and at times is inconsistent. I also don't think it's reasonable to ask Nationwide to review all calls from a withheld number between February and November 2024, to try and locate any calls which may have taken place.

So taking everything into consideration, whilst I can appreciate that it's frustrating that Ms O didn't receive the refund she was expecting, I can't hold Nationwide responsible for this. I also don't have sufficient evidence to persuade me that Nationwide needs to do something further in relation to the customer service issues Ms O has described.

I note Ms O has also argued that if Nationwide couldn't help her, it should have advised her who could have helped her in this situation. It could have been helpful for Nationwide to make suggestions about other avenues Ms O could explore. However, I don't agree Nationwide had any responsibilities beyond exploring what it could specifically do to help. So, I don't think Nationwide acted unfairly in this regard.

My final decision

For the reasons I've explained I don't uphold this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 30 October 2025.

Claire Lisle
Ombudsman