

## **The complaint**

Mr A has complained that JPMorgan Chase Bank, National Association “Chase” did not deal with his request for help when seeking a refund from a merchant.

## **What happened**

The circumstances leading up to this claim aren’t disputed so I’ve only briefly set them out here. On 7 May 2024, Mr A used his personal account to purchase some items from a merchant I’ll refer to as AS. In total he paid £1,609.33 for the items.

Mr A said he attempted to return the items in June 2024, but AS would not provide him with a return label. He eventually returned them in early September 2024 and received confirmation these items had been returned on 6 and 7 September 2024. When AS didn’t provide him with a full refund, he contacted Chase on 24 September 2024 to ask for help in getting his money back.

Chase considered a chargeback claim under the “credit not processed” reason code of the chargeback rules. But it realised that Mr A was only entitled to a refund if he returned the items within 28 days of purchase. So, it didn’t think Mr A met the conditions required to raise a chargeback. Mr A contacted Chase again in November 2024 saying he was unhappy that he’d returned the goods and now he no longer had the goods or a refund. Chase reviewed the matter to see if there was anything else it could do but at this time informed Mr A that he was also out of time to raise a chargeback claim as he hadn’t contacted Chase within 120 days of the transaction date.

Unhappy, Mr A referred his complaint to this service. He said that neither Chase or AS had treated him fairly and he had neither a refund nor the goods. He said AS had given him some store vouchers, but this wasn’t to the full value of the goods.

Mr A’s complaint was considered by one of our investigators. She felt that Mr A had raised his claim more than 120 days after the transaction date, and so nothing Chase did would have affected his ability to get a refund through Chase.

Mr A remained unhappy and explained that he contacted Chase within 140 days and he wasn’t aware of the 120-day rule. He said had Chase informed him of the 120-day rule earlier he could’ve explored other options. He felt that perhaps the 120-day rule could start from when he realised the refund was not going to be processed by AS. He feels AS had been unjustly enriched by him returning the goods. He added that he attempted to return the items within 28 days but AS didn’t provide him with a returns label.

Our investigator explained her view remained unchanged. She said that even if Chase had informed him of the 120-day rule earlier, he still wouldn’t have been able to get the money back through the chargeback scheme. She asked Mr A to submit any further evidence such as his requests for returns label from the merchant and any other evidence he had. Mr A provided evidence of the vouchers AS provided him after receiving the returned goods and he reiterated his earlier comments about AS.

As the complaint couldn't be resolved by our investigator, I've been asked to make a decision.

### **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.

Firstly, I'd like to reassure Mr A, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of his complaint in this decision as I'm required to decide matters quickly and with minimum formality.

In deciding this complaint, I'm only considering the actions of Chase and how it handled Mr A's request that it raise a chargeback on his behalf. I'm not looking at the actions of AS as part of this complaint. Chase is only responsible for ensuring that Mr A's claim for a refund is correctly processed and is not responsible for everything AS did that Mr A might be unhappy with.

Having considered everything very carefully, I have to tell Mr A that I'm not going to uphold his complaint, and I'll explain why.

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, where goods or services are defective, or where a credit isn't processed in line with a merchant's refund policy. In this particular case, an appropriate reason might be that AS hadn't credited Mr A with a refund in line with AS's refund policy.

The chargeback rules set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to succeed – so customers aren't guaranteed to get a refund through the chargeback process. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect a financial business to raise a chargeback.

It's important to note that chargebacks are decided based on the card scheme's rules – in this case Mastercard's – and not the relative merits of the cardholder/merchant dispute. So, it's not for Chase – or me – to make a finding about the merits of Mr A's dispute with AS, or whether or not the chargeback rules are fair. Chase's role is to consider if Mr A has met the conditions required to enable it to raise a chargeback on his behalf.

Chase initially closed Mr A's chargeback claim after realising that he had returned the items more than 28 days after the purchase, so in accordance with AS policy, he wasn't entitled to a refund. Chase is bound by the chargeback rules and it's not for it to decide that the rules are not fair or restrictive. It's also not for Chase to assess the fairness of AS' refund policy. Under Mastercard rules, a chargeback can only be raised if Mr A is entitled to a refund under the merchant's policy – and as explained – as he returned the goods more than 28 days after purchase, he wasn't entitled to a refund under AS policy. So, it couldn't raise a chargeback. Chase later also confirmed that as Mr A raised his concerns with Chase more than 120 days from the transaction date, it couldn't have raised a chargeback for him in any event as any chargeback claims had to be raised within 120 days.

I agree with Mr A, that Chase ought to have told him earlier on that it couldn't consider a chargeback claim due to him being out of time under the scheme rules to raise a chargeback. But I don't think the outcome would have been any different as he still wouldn't

have got his money back through the chargeback scheme. I appreciate Mr A said if Chase had told him in September 2024 that he was out of time under the rules he would have considered other options against AS, but he hasn't specified what else he could have done between September 2024 and November 2024, that he couldn't do after November 2024. So, like our investigator, I don't think this delay has affected the outcome.

I appreciate Mr A says he contacted Chase within 140 days even if not within 120-days, but the rules are very specific, and Chase doesn't have the power to extend this time for him no matter how close to the deadline he contacted it. I also considered Mr A's comments that the 120-day timeline should start when he realised that he couldn't get a refund from AS – but my understanding is that claims must be raised within 120 days of the transaction date. As explained above, it's not for me or Chase to look at whether the chargeback rules are fair or not. Chase can only apply the rules to the facts of his case as they are. Chase isn't able to challenge Mastercard about the fairness of its scheme rules.

It looks like Mr A was out of time under the scheme rules to raise his claim when he contacted Chase on 24 September 2024, so no matter what Chase did/did not do, he wouldn't have been able to obtain a refund through the chargeback scheme. So, he hasn't suffered a loss due to the actions of Chase.

I appreciate Mr A's comments regarding AS having been unjustly enriched having received the goods back as well as full payment for them. And I've thought about his comments about AS not giving him a returns label when he initially requested it in June 2024. But these concerns are about AS and Chase isn't responsible for answering complaints about AS. Any concerns Mr A has about AS, has to be raised with AS directly and not something Chase is obligated to assist him with.

I sympathise with Mr A, I believe he acted in good faith, and he returned goods worth an amount of money which isn't insignificant. I can see why he would be so disappointed with not being able to get his money back through Chase. But unfortunately, the chargeback rules are very specific and detailed and don't allow refunds to be processed just because it might be fairer to do so, or because Mr A's claim against AS has merit. It only allows refunds to be requested under a very narrow set of circumstances with strict deadlines and as explained above, I think Mr A was out of time to raise his chargeback claim when he contacted Chase in September 2024. So, with that in mind, I find no grounds to direct Chase to refund him the money he has lost. And any complaints Mr A has against AS, have to be directed against AS. I'm very sorry that I haven't been able to assist him further.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

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

Asma Begum  
**Ombudsman**