

The complaint

Mr W is unhappy with how Clydesdale Bank Plc, trading as Virgin Money (Virgin) have handled a chargeback dispute raised to recover the cost of a purchase he made using his debit card.

What happened

I issued my provisional decision to both parties explaining why I thought Mr W's complaint about his chargeback should not be upheld, but that Virgin should pay Mr W £50 to recognise how failings in their customer service had impacted him. I invited both parties to provide any further evidence and / or submissions in reply.

The background to this complaint was set out in my provisional decision together with my provisional findings, both of which are copied below and now form part of this final decision.

Background

In April 2024 Mr W bought a printer through an online auction marketplace (the 'marketplace') using his debit card. Shortly after receiving the printer Mr W experienced a problem with it and contacted the merchant who sent Mr W a replacement part which he fitted. Mr W had started the returns process via the marketplace, but as the replacement part appeared to resolve the issue Mr W did not pursue returning the printer at that time.

Not long after this Mr W experienced a further problem with the printer, but as he was unable to successfully engage with the merchant, Mr W approached Virgin to raise a chargeback on his behalf.

Virgin, based on what Mr W told them, raised the chargeback and refunded Mr W the cost of the printer (£386). However, the merchant defended the claim stating that the goods had never been returned.

On further review Virgin told Mr W they would not pursue the chargeback as they considered Mr W's involvement in fitting the replacement part could have caused any subsequent faults with the printer and voided any warranty. Virgin therefore re-debited the sum of £386 from Mr W's account towards the end of May 2024.

Mr W disagreed with what Virgin had said and raised his concerns with them. Virgin responded to say they had not done anything wrong, but apologised for some customer service failings on their part.

Our Investigator said Mr W's complaint should not be upheld as Virgin had fairly approached the chargeback on Mr W's behalf. Mr W disagreed with the Investigator's findings and so the matter has been passed to me to decide.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

Before considering the merits of any case that is brought to me I must first consider the rules this service follows to ensure I have the authority to look into it. The rules I am required to follow include establishing the person bringing the complaint is eligible to do so. Our rules on eligibility can be complex so Mr W was asked to provide some more details about the purchase he made.

The enquiries confirmed Mr W purchased this printer using his personal debit card and that the printer was purchased for business purposes. In some instances this scenario may prevent our service from being able to consider a complaint so further enquiries were made.

While Mr W is noted as a director of two different limited companies, he told us this printer was to be used for his business as a sole trader which is something he has been doing for a long time.

The printer was delivered to Mr W's home address and the nature of business for the two limited companies does not appear connected to the nature of Mr W's sole trader business.

In light of this I consider it reasonable to accept Mr W's submissions without any further consideration that the purchase of this printer was made in his capacity as a sole trader using his own debit card, and therefore that Mr W satisfies our rules for eligibility to bring this complaint to our service.

I have therefore gone on to consider Mr W's complaint about the chargeback.

While I've only included a summary of what's happened above, I assure both parties I have reviewed all the available evidence and submissions. And that although I may not respond to each individual point either party has raised, this does not mean I have not taken them into account, rather I have focused on those points I consider relevant to reaching a fair and reasonable resolution in this matter.

Chargeback

Because Mr W purchased the printer using his debit card, it meant Virgin (as the card issuer) had a mechanism to be able to raise a dispute about the purchase on Mr W's behalf. This mechanism is known as chargeback.

Chargeback is not a legal right so there is no obligation on the card issuer to refund or assist in any way, although we would consider it good practice for them to do so where there is a reasonable prospect of success. Chargeback is governed by the card scheme provider's rules which I cannot interfere with, so my role here is to consider whether Virgin treated Mr W fairly in the way they handled the chargeback and applied the card scheme provider's rules to Mr W's dispute.

The chargeback rules have specific reason codes, so I've considered the nature of Mr W's dispute and the chargeback rule Virgin applied for Mr W's claim.

Mr W did not approach Virgin until after the replacement part had been fitted to resolve the initial printer issue. It is not clear what the original problem was, but in the circumstances I've not seen it necessary to know this given it appears this was fixed.

It was shortly after the replacement part was fitted that Mr W experienced further problems with the printer. Mr W told Virgin the printer was not working; it was under warranty and the merchant was not engaging with him. More specifically Virgin understood the current fault

related to issues with the printer not recognising the ink.

I think Virgin were fair to raise the chargeback for Mr W given what he had told them. Virgin used the chargeback reason '*Goods or Services were Either Not as Described or Defective*' which, in the circumstances, I think was reasonable.

The card scheme provider's conditions for this chargeback reason included a list of requirements for the cardholder (in this case Mr W) to satisfy including, *For disputes involving goods: The cardholder returned the goods or informed the merchant the goods were available for pickup.*

In addition to meeting all the initial listed chargeback conditions, one of the following conditions also had to be met:

- *When delivered from the merchant, the goods arrived broken or could not be used for the intended purpose.*
- *Goods and services did not conform to their description. Examples include, but are not limited to: the cardholder claims that the quality or workmanship of the product is not as described: The cardholder claims that the specified color, size, or quantity is not as described.*
- *The merchant did not honor the terms and conditions of the contract with the cardholder including, but not limited to, 100 percent money back guarantee, written promises, or return policy.*

The merchant defended the claim stating that return of goods had been initiated but never returned. Virgin therefore asked Mr W for evidence the goods had been returned.

However, Mr W clarified that while he opened a case with the marketplace due to the initial fault, as a repair was offered with a replacement part the printer was not returned. Mr W also said it would have cost him more than the repair to return the printer. Mr W said the marketplace would not entertain a further case (as per their own terms) to consider any further disputes in relation to this particular purchase.

Virgin considered the matter further and explained they no longer had chargeback rights because Mr W had repaired the printer rather than the seller or manufacturer. Virgin said they would not be able to know if this had caused another fault so they no longer had chargeback rights. They also told Mr W that by attempting the repair himself it would void any warranty, but that if Mr W did not feel he had voided the warranty it would be for him to contact the manufacturer directly.

Mr W disagreed with Virgin's reasons to not take the chargeback further as he said the merchant had fixed the initial problem as they had sent him the part, so he had not repaired it himself. (Although it appears accepted that Mr W fitted the part once he received it as opposed to an engineer from the merchant or manufacturer fitting it).

I realise Mr W feels strongly that Virgin should have pursued his chargeback, however, it appears likely the merchant would have continued to defend the claim if Virgin re-presented it. Pursuing the chargeback further if the merchant continued to defend the claim would have meant taking the claim to the last stage of the chargeback process known as arbitration.

At arbitration stage the card scheme provider would have the final say in a case, determining it in accordance with their own scheme rules. It's not possible to know what would have happened had Virgin taken Mr W's chargeback to arbitration so I've considered whether, in

the circumstances, it was fair and reasonable for Virgin to not take Mr W's chargeback any further.

I have set out above the primary reason Virgin gave Mr W for not taking his chargeback any further and this together with the other considerations below persuades me Virgin reasonably applied their discretion to not pursue Mr W's chargeback on this occasion.

- During the chargeback process Virgin learned from the marketplace there had been an attempt to return the printer. However, it became apparent Mr W had chosen not to return it. Therefore, given the chargeback conditions above, it is arguable the card scheme provider may have taken the view Mr W had not met the chargeback condition to return the goods or let the merchant know they could collect the goods - so there would be no reasonable prospect of a successful claim.
- It was not clear that the printer faults Mr W had described were because the printer was defective or whether there could be another reason that could have caused the faults.

The original problem (whatever that may have been) was resolved with a replacement part. The marketplace shared with Virgin submissions they had received from the merchant which included a message from Mr W saying *Hi Printer has been repaired and we wish to take no further action. We are having trouble adding this printer to our network can you help?* It is not known what the merchant's response was to Mr W, but this does go as far as suggesting the printer was, at a point, working.

As noted above, the further fault raised with Virgin involved a problem with the ink. Although Mr W's submissions also reference he was experiencing problems with connecting the printer to a network.

In either case there was limited evidence to explain the cause of these problems (for example no reports were commissioned or independent reviews carried out), so there was uncertainty as to whether these problems resulted from the printer being defective (as per the chargeback reason code applied) when it was sold to Mr W or whether the problems had been caused by something else.

Issues with the ink or the network could, arguably, be the fault of the ink cartridge or a problem with the wider network Mr W was trying to use or – as Virgin concluded – from Mr W potentially affecting the printer when fitting the replacement part the merchant sent him.

More recently Mr W told this service the later printer fault was that the wireless settings were not functional, and he did not mention anything to do with the ink. I think this suggests the issue with the ink was resolved and therefore not an inherent fault with the printer.

- The advert for the printer included reference to a warranty, but no copy of the warranty was provided during the course of the chargeback to know what may or may not have been covered - so there was nothing available to say whether the merchant had not adhered to any such promise. Typically, warranties include exclusions such as misuse or improper handling, or unauthorised repairs, so there was the possibility that Mr W fitting the replacement part may have voided any warranty and in the circumstances I don't think it was unreasonable for Virgin to have considered this.

- There are no detailed submissions from the merchant or evidence of communications between Mr W and the merchant to help determine whether the later fault/s were due to a defective printer.

Given the limited evidence available to show an inherent fault with the printer, as opposed to an issue caused by some other reason, and that the printer was not returned, I think Virgin fairly exercised their discretion not to take the chargeback any further as I think it was reasonable for them to determine that taking this case through to the end of the chargeback process was unlikely to have a reasonable prospect of success.

For completeness, as Mr W's transaction was made using his debit card rather than a credit card, the protections under Section 75 of the Consumer Credit Act 1974 did not apply here, so I have not considered these.

Customer service

I'm aware Mr W also raised concerns about the customer service he received and I can see Virgin apologised for Mr W being told incorrect timescales for handling his dispute, and for some general service errors such as having to wait on hold for a long time (45 minutes), being cut off without a call back from a handler and customer service that fell below Virgin's standards.

Neither Virgin nor Mr W provided any specific evidence to show these failings in customer service, but given Virgin have accepted they fell short here and based on what is available to me, while I think it's reasonable for Virgin to apologise and assure Mr W of feedback given to staff members, I think it would also be fair to award some financial compensation to reflect the impact of these errors on Mr W. In the circumstances in terms of the inconvenience caused to him, I think £50 is fair to reflect this.

Other matters

I note Mr W referenced the Consumer Rights Act 2015 (CRA) in his submissions; however, it may help Mr W to know that notwithstanding that the chargeback is governed by the scheme provider's rules, the CRA wouldn't apply in these circumstances as Mr W has confirmed the purchase was for his business.

I understand this matter is important to Mr W and he has explained he is financially worse off because he still has the printer which does not work and has had to purchase another one – so I recognise his frustrations in that regard. However, I can only consider Virgin's actions as the card issuer here as I've explained above. As Virgin note, Mr W may still have some other recourse open to him and he may therefore wish to seek independent legal advice.

Responses to my provisional decision

Clydesdale Bank Plc, trading as Virgin Money accepted my provisional decision.

Mr W did not accept my provisional decision, but offered no further evidence or submissions for 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.

As neither party provided me with any further evidence or submissions to consider I see no

reason to depart from the findings I reached in my provisional decision.

That is, for the reasons I have set out above, I think in the circumstances of this case Virgin acted reasonably in their handling of Mr W's chargeback claim. And I think £50 is fair to reflect the inconvenience caused to Mr W due to the shortcomings in Virgin's customer service.

Putting things right

Clydesdale Bank Plc, trading as Virgin Money should pay Mr W £50.

My final decision

For the reasons above, my final decision is that I do not uphold Mr W's complaint about his chargeback, but Clydesdale Bank Plc, trading as Virgin Money should pay Mr W £50 to recognise the service they provided to Mr W could have been better given the inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 September 2025.

Kristina Mathews
Ombudsman