

## **The complaint**

Mr S complains that Lendable Ltd trading as Zable (“Zable”) failed to pursue a chargeback.

## **What happened**

On 1 March Mr S made a payment of £500.88 using his Zable credit card to an online gambling business I will call D. However, he noticed that the money was sent to another business which I will call T. He contacted Zable on 16 March to say he thought the transaction had been fraudulent.

Zable looked at the transaction and noted it had been made using Apple Pay which would have required him to have used either Passcode, Touch ID, or Face ID and so concluded that the transaction was unlikely to have been made without being authorised by Mr S.

Mr S also told Zable that he had discovered that D was an overseas business which was operating without the correct licence. He said the merchant used an incorrect merchant category code (“MCC”) so the transaction was not identified as gambling. He thought this breached MasterCard’s rule and so Zable should pursue a chargeback. Zable explained that it did not consider a chargeback would be effective given Mastercard’s rules.

Zable rejected Mr S’ complaint and so he brought the matter to this service. It was considered by one of our investigators who didn’t recommend it be upheld. She said that Mastercard’s rules didn’t provide for a chargeback to be made. She also looked at section 75 Consumer Credit Act 1975 (“s.75”) and noted this had not been considered by Zable. However, she didn’t think it had been given sufficient evidence to allow it to uphold such a claim.

Mr S tried to engage with D and T to obtain evidence in support of a s.75 claim, but without success. He asked that the matter be considered by an ombudsman.

## **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.

I have every sympathy with Mr S, but I do not consider I can uphold his complaint. I will explain why.

It seems that D routed payments via a third party, T. I have not seen the details of what was shown on D’s website, and I cannot say what relationship D had with T, but it seems likely that the two are associated in some way. Ultimately the payment made by Mr S was for a gambling service to be provided by D and I believe this is what he received. It is not that rare for payments to be routed via payment processors, but in this case it had the effect of negating the MCC and so that would make any block a consumer had placed on their account to prevent gambling transactions ineffective.

When Mr S first contacted Zable he presumed there had been some sort of fraud and it

blocked and replaced his card. Subsequently it established that the payment had been authorised by Mr S and so it didn't believe it had been fraudulent. I agree.

It then considered if a chargeback would be worth pursuing, but concluded that the payment was for a gambling transaction this would be rejected.

Chargeback is a voluntary scheme run by the card scheme operator (here it's Mastercard) to process settlement disputes between the card issuer (such as Zable) – on behalf of the cardholder (Mr S) – and the merchant. It is not a legal right that the cardholder has.

Mastercard sets the chargeback rules and time limits for transactions made using the Mastercard card scheme. And it is Mastercard that decides whether a chargeback is successful – the card issuer simply makes a request on the cardholder's behalf. If the card issuer knows it is out of time, or is unlikely to succeed, I wouldn't necessarily expect it to raise a chargeback.

Mastercard's rules deals with gambling transactions and these state:

*'For transactions in which value or assets are purchased for gambling, investment or similar purposes, this chargeback right is only available for a transaction in which the purchase value of assets failed to appear in the account agreed to between the cardholder and the merchant. For the avoidance of doubt, chargeback rights are not available for*

*1.refunds, withdrawals or transfer requests,*

*2.Terms and conditions or account access,*

*3.winnings, gains or losses, or*

*4. use or subsequent use".*

It has also said:

*'If a cardholder authorized and engaged in a transaction with the intent to participate in gambling, investment or similar services, then Cardholder Dispute chargeback rights are restricted regardless of whether the activity was illegal and/or brand damaging itself. Issuers have no chargeback rights related to the use of these chips or value, unspent chips, or withdrawal of such value, or on any winnings, gains or losses resulting from the use of such chips or value. In short, we consider the purpose of the Mastercard transaction to load funds into the gambling or investment account and not what activities are subsequently done with the funds'.*

I am satisfied that the chances of a chargeback were negligible to the point of being non-existent. Mr S put money into an account for the purposes of gambling and so the chargeback rules would not be of assistance to him. And Mastercard has said that the use of an incorrect MCC would not allow a chargeback to be effective. I gather Zable and our investigator have looked at other chargeback codes and concluded there was no means of getting Mr S' money back. I too have looked at these and as set out by our investigator I cannot see that any of these would have been of use.

The other possible route available to Mr S to get his money back was a claim under s.75. It seems that this was not considered by Zable. I'd have expected it to have thought about whether this was an alternative way it could have assisted Mr S, so I've considered whether it should have honoured a claim.

S. 75 allows consumers who have purchased goods or services using a credit card to claim against their credit card issuer in respect of any breach of contract or misrepresentation by the supplier of the goods or services, so long as certain conditions have been met. These conditions are, broadly speaking, that the claim needs to relate to items costing more than £100 and no more than £30,000, and that the claim needs to be against the same entity which has accepted the credit card payment. There is potentially some doubt over whether the second of these conditions has been met, as Mr S' payment was not made directly to D.

I cannot see that there was any evidence of misrepresentation by D and I note Mr S sought to identify evidence of a breach of contract, but was unable to do so. He has said the funds didn't reach his account with D, but the account has been closed and there is no supporting evidence to help his claim. So I cannot safely conclude that Zable would have had sufficient grounds to uphold a claim under s.75.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 October 2025.

Ivor Graham  
**Ombudsman**