

## **The complaint**

Mr S complains about the way NewDay Ltd ('NewDay') handled his claim for a refund.

## **What happened**

In October 2024 Mr S bought a branded coat (the 'coat') via a seller operating on an auction e-commerce platform (I'll refer to the e-commerce platform as 'E'). He paid £257.99 for the coat. When the coat arrived Mr S contacted the seller to say he wanted a full refund as he believed the coat to be 'fake' and not the branded one he thought he was buying. The seller said they didn't offer refunds. However, the seller did offer Mr S £50 as a partial refund. Mr S rejected the seller's offer and asked NewDay to seek a full refund via the chargeback scheme.

NewDay initiated a chargeback but following a defence from E (on behalf of the seller), it declined to pursue matters further. It noted that Mr S was still in possession of the coat. And whilst Mr S said he was willing to return the coat he said he wasn't willing to pay for the postage. NewDay also asked Mr S whether he reported the goods as being 'fake' and he confirmed he hadn't. So, NewDay decided not to pursue the chargeback further. Mr S complained but when NewDay maintained its position, he referred the matter to us. Our investigator upheld Mr S's complaint, but NewDay disagreed with this outcome. So, NewDay asked for an ombudsman to consider the matter.

I issued a provisional decision explaining why I was minded not to uphold this complaint. Mr S said that he disagreed with my provisional findings particularly as the investigator had reached a different view. The matter has now been passed back to me to finalise.

## **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.

In reaching this final decision, I've taken into account all the available evidence and arguments including the further submissions made by Mr S. But having read all of what Mr S has said in response to my provisional decision, I can't see that he has added anything substantially new. I appreciate my provisional decision came as a disappointment to Mr S particularly as this wasn't the same as our investigator's. But I've reconsidered everything and having done so, my decision remains that I'm not upholding the complaint. The reasons for this are as follows:

The chargeback scheme is one way in which NewDay might have been able to recover Mr S's money. It isn't guaranteed to succeed and is governed by the strict rules of the card scheme. However, it is often good practice to raise one where there is a reasonable prospect of success. In determining what is fair I have considered the relevant provisions of the Mastercard chargeback scheme.

Mr S said in his dispute declaration form he was buying a genuine/authentic/real [branded name] coat. However, Mr S says what he got instead was a 'fake' (branded) coat which he said

had “*Bad stitching on the coat’s brand logo*”. He also said the “*authenticity nfc tag*” wasn’t scannable. As I understand it a nfc (Near Field Communication) tag is a small electronic tag, which could be used to verify authenticity.

So, I think the most relevant Mastercard reason code (rule) was for a claim for ‘counterfeit goods’. And it does appear that NewDay initiated a chargeback on Mr S’s behalf under this reason code. The merchant (in this case E) said the goods weren’t returned (E didn’t refer to Mr S’s claim about the coat being counterfeit). NewDay then contacted Mr S to say that he needed to return the coat (or at least try) and he also needed to obtain a report from the manufacturer to show the coat he purchased wasn’t genuine.

I accept that as Mr S was claiming the coat was counterfeit, under the Mastercard scheme rules, he didn’t necessarily have to return it to the merchant. And I can understand his reluctance to pay for the return postage costs given he didn’t think the coat was genuine. However, whilst I sympathise with Mr S about this issue, I think NewDay asking for evidence to support that the coat wasn’t genuine, wasn’t unreasonable or unfair. I say this because under the Mastercard counterfeit goods rule it says the cardholder needs to provide, amongst other things, documentation showing the goods were indeed counterfeit. And that this documentation needed to come from a person purporting to be the owner, or an authorised representative of the owner of the intellectual property rights (i.e. the brand).

I note during a call with a NewDay agent on 6 December 2024, the agent told Mr S that the merchant (E) had defended the claim. The agent went on to say with any dispute where the cardholder is claiming the goods are ‘fake’ or ‘counterfeit’, a report from the manufacturer to show the item in question (i.e. the coat) wasn’t genuine would be needed. As I understand it the manufacturer can be contacted with the relevant details of the purchase and will offer a view as to whether the item purchased with its brand on it, is genuine. I can’t see that Mr S provided NewDay with this supporting evidence.

Given all of this, whether Mr S sent the coat back (or not) or tried to at least, isn’t the main issue here. I consider the fundamental issue is that I don’t think, as NewDay concluded, there was sufficient evidence to show that the coat was, in fact, counterfeit. In light of the Mastercard rules, I don’t think Mr S’s dispute had a reasonable chance of success. So, I can’t conclude NewDay acted unfairly or unreasonably here.

I’ve taken on board all of Mr S’s further submissions including what he said about the call he had with one of NewDay’s agents. He maintains it wasn’t made clear to him during the call that he had to get evidence from the manufacturer. However, I think the agent made it reasonably clear during the call on 6 December 2024, that in order for Mr S’s chargeback to succeed, he (Mr S) would need evidence from the manufacturer to show the item in question wasn’t genuine. All in all, I don’t think NewDay acted unreasonably or unfairly when it decided not to pursue the chargeback further.

For all these reasons, and whilst I know this will remain a disappointing outcome for Mr S, I’m not upholding this complaint.

## **My final decision**

My final decision is that I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 5 November 2025.

Yolande Mcleod  
**Ombudsman**