

The complaint

Miss K complains about how NewDay trading as John Lewis Partnership Card (“NewDay”) dealt with her claim for a refund through a chargeback claim and under Section 75 (‘S.75’) of the Consumer Credit Act 1974 (‘CCA’).

What happened

Miss K used her NewDay credit card to purchase some perfume from the supplier; a store I’ll refer to as ‘J’. The perfume was bought in April 2024 for £235. Having collected it from a store on 25 April 2024, Miss K said the item was faulty as it wasn’t full and the packaging suggested it had leaked. Miss K decided to return the item on 27 April 2024.

J didn’t accept the return – they said the returns process for faulty items had not been followed as Miss K had failed to provide pictorial evidence before she made the return.

J returned the item which was delivered to Miss K on 3 May 2024. Miss K told us she only received the packaging and not the perfume. Miss K reached out to NewDay to raise a dispute as she was unhappy.

NewDay raised the chargeback and added a temporary credit to Miss K’s account. J defended the chargeback and didn’t agree to provide a refund. They said that Miss K had not provided the evidence their procedure requested. And they had evidence from the delivery company that the package was of a weight that suggested it was not empty. NewDay accepted the defence from J and removed the temporary credit from Miss K’s account.

NewDay reviewed the dispute under s.75. NewDay saw insufficient evidence of a breach of contract by J, so didn’t uphold the claim.

Miss K was disappointed and decided to complain to NewDay. NewDay didn’t uphold Miss K’s complaint. So, Miss K referred it to this service.

One of our investigators looked at Miss K’s case and considered NewDay’s actions in the light of the chargeback request but also their obligations under s.75. Our investigator did not uphold the complaint. Miss K asked for an ombudsman to review the case, which has been passed to me.

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 have reached the same outcomes as our investigator and for the same reasons. I’ll explain why I say that.

Chargeback

Chargeback is run by the card schemes according to rules they have set out. It isn't a general consumer protection law (like s.75) and is not guaranteed to succeed.

Here it appears that the Mastercard rules are applicable. So, in deciding what is fair I have taken these into account.

NewDay doesn't have to raise a chargeback, but it is often good practice to attempt one. In the circumstances here I can see that it did attempt a chargeback but it stopped this process once the supplier raised a defence to its pre-arbitration letter. So, I have considered if what NewDay did was fair.

Having considered all of the submissions made in this case, I think there is insufficient evidence to think that NewDay were unfair in not pursuing the chargeback. I'll explain why I say that.

Miss K's testimony is not supported by much in the way of evidence. And Miss K did not follow the supplier's returns process for the damaged goods. The returns process says that if the item is damaged or faulty, or if the consumer received the wrong product, the consumer should take photos of the item and send them to J via live chat or email and provide details about the problem. It seems the purpose of that process is to allow the supplier to have sight of the issue and to authenticate or not the claim that the received item was not it should have been.

In denying J that evidence, they were unable to authenticate the condition of the received item. And without that same evidence, I do not think that NewDay Ltd were unfair in thinking Miss K had little reasonable prospect of success had they raised a chargeback on this issue. So, I think that it was not unreasonable of NewDay to decline the chargeback.

Section 75

When considering what's fair and reasonable, I'm required to take into account; relevant law and regulations, relevant regulatory rules, guidance and standards and codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

In this case the relevant law includes s.75, which provides protection for consumers for goods or services bought using credit. As Miss K paid for the perfume with a credit card, s.75 applies to this transaction. This means that Miss K could claim against NewDay, the creditor, for any misrepresentation or breach of contract by the supplier in the same way she could have claimed against the supplier. So, I've taken s.75 into account when deciding what is fair in the circumstances of this case.

To find in Miss K's favour I would need to think that her version of events was more likely than that provided by NewDay.

But in this case Miss K did not follow the returns process and, in so doing, did not provide the supplier with the evidence it wanted to assess her request for a return of damaged or faulty goods. The supplier was unable to authenticate the condition of the received item. And without that evidence, I do not think that NewDay Ltd were unfair in thinking they had been shown insufficient evidence that the supplier was at fault for a breach of contract or that it misrepresented matters to Miss K. And so, I don't think NewDay can be held liable under s.75 as there is insufficient evidence that J was responsible for a breach of contract or misrepresentation.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 16 October 2025.

Douglas Sayers
Ombudsman