

## The complaint

Mr M complains that MBNA Limited didn't refund a payment he made using his credit card.

## What happened

In November 2024, Mr M says he arranged for a merchant (a jeweller, who I'll refer to as "R") to make him a bracelet. He paid £6,500 for it using his MBNA credit card.

Mr M says that when he went to collect the bracelet from R, he was told that it had already been collected by another party. Mr M didn't recognise that party; he said it had been collected without his permission and, consequently, Mr M says he tried to resolve the matter directly with R. His efforts, though, didn't amount to a successful resolution. So, he approached MBNA to help get his money back.

To assist Mr M, MBNA raised a chargeback – but this was defended by R, and MBNA chose not to pursue it further. MBNA also considered its obligations under Section 75 of the Consumer Credit Act 1974 ("Section 75"). It gathered information from Mr M and considered what had happened, but it ultimately didn't uphold the Section 75 claim. In summary, MBNA alluded to the requisite debtor-creditor-supplier agreement not being present; it also said, in any event, that Mr M's version of events contained several inconsistencies, and it noted how Mr M hadn't been able to provide an appropriate invoice or receipt to support his claim. So, given the lack of supporting documentation – and reliable evidence – it didn't take Mr M's Section 75 claim any further.

Mr M was unhappy with MBNA's position, and he approached this Service for an independent review. An Investigator here considered what had happened; having done so, they didn't think MBNA needed to take any further action. They said MBNA had reasonably decided not to pursue a chargeback, or indeed Mr M's Section 75 claim, in light of the available evidence.

In response, Mr M maintained that the necessary debtor-creditor-supplier provisions for a Section 75 claim did exist; he said that evidence from R was unreliable, and that MBNA had failed to investigate appropriately. So, he requested an Ombudsman's decision, and the complaint has now been passed to me to decide.

## 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, while this will no doubt be disappointing for him, I'm satisfied that MBNA acted fairly in considering Mr M's dispute. I'll explain why but, before I do, I'll be clear at the outset that I haven't commented on each and every statement Mr M has made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an

informal service; I don't intend any courtesy in my approach, it's simply to align with that purpose.

Additionally, just by way of general background, I'll set out that there are two main ways a customer can try to recover money in scenarios like this: a chargeback, which is a voluntary process operated by the relevant card scheme (like Visa, or Mastercard); or a claim under Section 75. Here, MBNA considered both potential routes for Mr M. So, for ease, I'll address both aspects in turn.

### Section 75

In summary, when a person purchases goods or services using a credit card, Section 75 allows them – subject to certain conditions being met – to hold their credit card issuer liable for any breach of contract, or misrepresentation, by the supplier of the goods or services. Mr M brought a Section 75 claim to MBNA, which it ultimately decided to decline. It did so for several reasons; in short, it wasn't satisfied the debtor-creditor-supplier ("DCS") agreement was in place, there were several inconsistencies in Mr M's testimony as well as there being a lack of supporting evidence and conflicting information around the transaction.

To address the DCS issue first; simply put, there needs to be a direct agreement between the debtor (Mr M), the creditor (MBNA), and supplier (R). Mr M could provide MBNA a copy of a receipt from R's card terminal – essentially showing his card had been used to pay – but he couldn't provide any conclusive, or persuasive, evidence to show he had some form of contract with R. There's no receipt, or invoice, or any other documentation with his name on it which suggests he was the contracting party with R. Ultimately, this means that although Mr M made the payment, it can't be shown – or even, in my view, be considered more likely than not – that he was indeed the person contracting with R. With this in mind, I don't think the required DCS agreement is in place to allow Mr M to make a claim against MBNA for an alleged breach of contract or misrepresentation by R.

That said, even if I'm wrong about the DCS agreement, I still don't think Mr M's Section 75 claim was unfairly assessed by MBNA. Rather, I think it's reasonable to say that there are several inconsistencies in Mr M's testimony around what happened; initially, it seems he told MBNA he'd bought a bracelet as means of paying a builder for some work, and the builder had then collected it without carrying out the work. Mr M then appears to have changed that version of events and said the bracelet was, in fact, a personal purchase which had been inadvertently released to someone else by R. Alongside that, the evidence provided by R – which it told MBNA relates to the transaction in question – suggests that Mr M didn't pay for a bracelet at all. Instead, R's invoice shows payment was made for a gold bar, and the order wasn't in Mr M's name.

Considering MBNA's position then, it essentially had nothing other than a card terminal receipt to show Mr M had used his credit card to pay £6,500 for *something*. It didn't have evidence to support Mr M had contracted with R at all – let alone for either a bracelet or a gold bar – and it was provided several inconsistencies in his testimony. It had reasonable concerns about the DCS agreement too.

Overall, with all of that in mind, I think MBNA acted reasonably in declining Mr M's Section 75 claim at the time. I'm satisfied that the issues with DCS, the lack of supporting evidence, and the level of inconsistency regarding the transaction itself all mean that was a reasonable conclusion to reach. It follows that I can't agree with Mr M's view that MBNA treated him unfairly when it assessed his Section 75 claim.

### Chargeback

The chargeback process provides a way for the card issuer – that's MBNA – to help a customer claim a full or partial refund of the amount they paid on their card, if certain things go wrong with what they've purchased. The process is mediated by the card scheme whose logo appears on the card in question; for Mr M, I understand this to be Visa. Card schemes set various rules covering things such as what sort of scenarios are eligible for a chargeback, the kind of evidence required, and how long a person has to submit one.

It is, generally speaking, good practice for a card issuer to attempt a chargeback where the right exists and there's a reasonable prospect of success. That said, they're not guaranteed to be successful, and a consumer isn't able to demand that their card issuer attempt one. A chargeback can be defended too; the party which received the payment – generally known as the 'merchant', which would be R here – can defend a chargeback attempt. If neither the consumer nor the merchant concedes then, ultimately, the card scheme itself can be asked to rule on the dispute in a process called arbitration.

MBNA did raise a chargeback here; it was defended by R, and MBNA then chose not to pursue things any further. I don't think that was an unreasonable decision. I say that largely because I don't think the chargeback had a reasonable prospect of success; R's defence incorporated an invoice which suggested an item had been paid for (in part) by card, on the same date and for the same amount Mr M had claimed, and that the item had also been collected.

Mr M, on the other hand, couldn't provide much supporting documentation. For example, he couldn't show precisely what he'd paid for; he couldn't show that an item *hadn't* been collected – in contrast to R's claim that it had – and the inconsistency in his testimony all meant, in my view, that there was sufficient doubt of a chargeback succeeding here. I'll also add that I haven't seen evidence of Mr M trying to resolve the dispute with R directly, albeit I accept this may have been verbal.

To be clear, I don't intend to say the evidence supplied by R in defence of the chargeback was undisputable; it's simply that overall, in the round, I don't think MBNA had much room for manoeuvre in taking things further given the confines of the chargeback scheme, and significant level of variation over what actually happened. In short, I don't think a chargeback raised here had much, if any, prospect of success in the circumstances. So, I think MBNA made a reasonable decision not to proceed further.

### Overall

What I've set out here will, no doubt, come as a significant disappointment to Mr M. It's clear that he feels very strongly about what happened. That said, for the reasons I've explained, I can't fairly conclude that MBNA acted unreasonably when it assessed Mr M's Section 75 claim, or decided not to proceed with the chargeback, in these circumstances. It follows that I don't uphold his complaint here.

### **My final decision**

My final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 December 2025.

Simon Louth  
**Ombudsman**

