

The complaint

Mr P has complained MBNA Limited acted unfairly when declining his claim for money back.

What happened

The parties are familiar with the background details of this complaint – so, I'll only briefly summarise them here. It reflects my role of resolving disputes quickly with minimum formality.

Mr P bought two airline tickets (using his MBNA credit card) from an airline, who I'll refer to as R. He paid a total of £341.95. This comprised of £179.48 for the outbound flight and £162.47 for the return flight.

Mr P says that due to a family emergency he needed to change the date of the outbound flight. Mr P says he contacted R the day before the outbound flight was due to depart and R agreed to rebook his flight free of charge and to waive the £45 flight change fee. But he later noticed R had taken (using his MBNA card) three payments totalling £254.55 for the new booking.

While at the airport, Mr P says he queried the £254.55 payment and the attendant at the ticket desk responded by saying he shouldn't have been charged. Mr P has provided a copy of a handwritten note he says the attendant gave to him at the time – which he believes supports this.

Because R declined to refund the £254.55, Mr P asked MBNA to raise a chargeback for the disputed amount. MBNA raised three chargebacks on the basis Mr P had paid twice for the same goods/service - £172.06 for the new flight ticket, £33.50 for the reserve seat and cabin bag fee and £48.99 for the checked bag fee. MBNA also added a temporary credit (of £254.55) to Mr P's card account. But they warned the respective amounts would be re-debited if any of the chargebacks were unsuccessful.

R defended all three chargebacks. So, MBNA sent Mr P what R had provided in their defence and asked him to provide any further information that would support his claim. Mr P called MBNA asking them to pursue the chargebacks. He also sent MBNA an email while on the call - to support R had confirmed at the time of the rebooking that the total price of the trip was £0.

Eight days later, MBNA sent Mr P an email saying they didn't believe the currently provided evidence was sufficient for the chargebacks to be successful. MBNA asked Mr P to provide them with more information - including something to show that R's terms and conditions allowed amendments to flight tickets given R had stated in their defence that they didn't, and copies of the correspondence Mr P had exchanged with R about the dispute.

Mr P didn't respond to this email. He says this was because he didn't receive it. But because MBNA didn't receive a response, they proceeded to close the chargebacks and reapplied the disputed amount to Mr P's card balance.

Mr P contacted MBNA around three months later to enquire about the chargebacks. MBNA confirmed the chargebacks were closed and couldn't now be reopened and progressed further because the time limit for doing so had expired. Unhappy with this Mr P raised a complaint about the outcome and how MBNA had handled the matter.

In response to Mr P's complaint, MBNA agreed that during the call where Mr P had challenged what R had submitted in their defence, that their representative had provided some misleading and inaccurate information. MBNA accepted they'd given Mr P the impression that they would proceed to the next (pre-arbitration) stage in the chargeback process and had implied the likely chance of success was high. But this wasn't the case. MBNA apologised for the poor customer service and offered to pay Mr P the full disputed amount of £254.55 and a further £50 to account for any distress and inconvenience.

Unhappy with the proposed resolution, Mr P asked the Financial Ombudsman to consider the matter. Our Investigator didn't uphold the complaint. In summary, they believed what MBNA had offered to do to put things right was fair and reasonable. And as MBNA had already paid the offered £304.55 to Mr P that MBNA didn't need to do anything more.

Mr P maintains that £50 doesn't adequately compensate him for the poor way MBNA handled the complaint and the impact this has had on him, saying, "I've experienced false promises, poor customer service and misleading information". So, this complaint has come to me to make a final decision.

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.

A 'chargeback' is a way for a debit or credit card provider (MBNA) to reclaim money from the supplier's (R's) bank when a consumer (Mr P) doesn't get the goods or services they paid for. It isn't a legal right and there's no guarantee the card provider will be able to recover the money this way. It's a voluntary scheme and the process must follow the scheme rules. As Mr P's card was issued under the Mastercard brand, the Mastercard chargeback rules apply here.

The scheme rules are written by MasterCard. MBNA must follow the rules – which are strict, and time limits apply. The rules allow the supplier to either accept the dispute or provide evidence in defence of the chargeback. If an amicable conclusion can't be reached, it's Mastercard who decides the outcome of the dispute – not MBNA.

As it's a voluntary scheme, MBNA didn't have to submit a chargeback to MasterCard or appeal a decision. But, when there's a reasonable prospect of success, I'd expect them to do so.

It's also important to remember MBNA doesn't regulate the supplier. They can't control how the supplier works or the quality of the goods or service they provide. So, this isn't something I'm able to hold MBNA accountable for. It's not for me to decide on the actions taken by R. What I can consider here, is how MBNA processed the chargebacks for Mr P and check if they've followed the rules correctly and in a timely manner.

MBNA did raise three chargebacks on the basis there was an addendum dispute. I think this was the correct thing for MBNA to do based on the initial information Mr P provided to them.

R defended the chargebacks. MBNA decided that without further information it was unlikely any of the chargebacks would succeed. I appreciate why MBNA thought this.

With regards to the cost of the rebooked flight, I understand why MBNA had concerns about the note Mr P provided to support he was told by the ticket desk that he shouldn't have been charged for the rebooking. It is handwritten on what appears to be a scrap of paper and there is no branding or logo on the note. It does confirm "2 Booking PNR's" and "SSR's paid 1st time then recharged on 2nd flight change". However, I'm not persuaded the note says or implies that Mr P shouldn't have been charged for the rebooking. So, I understand why MBNA asked Mr P for more information.

Mr P called MBNA to explain why he still thought the chargebacks should succeed. To support this, he sent MBNA an email while on the call – to show R had confirmed the: "Total price of your trip purchased [was] 00.00 GBP".

As part of their investigation into Mr P's complaint, MBNA found their call handler had provided Mr P with some misleading and inaccurate information – they'd implied that they would proceed with the chargebacks and there was a good chance of success. I agree with these findings. MBNA apologised for this poor customer service and has paid Mr P £50 in recognition of this. I think this is inline with awards the Financial Ombudsman makes when a mistake was quickly remedied.

I appreciate why Mr P believes the ticket desk note together with R's email substantiates that R had agreed he didn't need to pay anything for the replacement ticket and additional extras. I can also see why the person Mr P spoke to at MBNA would have thought the same.

However, following the call, I appreciate why MBNA asked Mr P to provide evidence to show R's terms and conditions allowed for the original ticket to be cancelled and a new one issued for a different flight without any charge and for copies of what R had said following Mr P asking them to refund the disputed amounts. What R had provided in their defence was persuasive. It confirmed R only offer refunds when a consumer cancels a booked flight in limited circumstances – which hadn't been met. So, I don't think it was unreasonable for MBNA to have asked Mr P for this further information.

Because Mr P didn't respond to this email, MBNA decided not to proceed with the chargebacks after the response deadline had expired. I appreciate Mr P says he didn't receive this email. But I note the email was correctly addressed and there was no reason for MBNA to believe it hadn't been successfully delivered. So, I think MBNA acted fairly when closing the chargebacks when they did. I consider it was reasonable for MBNA to have concluded there was little chance of the chargebacks succeeding based on the evidence that had been provided to date.

By the time Mr P got back in touch with MBNA it was too late for MBNA to have reopened and proceeded with the chargebacks. This is because the time limits set by Mastercard are strict and NatWest is unable to appeal or extend them.

MBNA refunded the full disputed amount (of £254.55) to Mr P. I think this comprised of a generous offer. Even had MBNA taken the chargebacks to the next (pre arbitration) stage, I think, on balance, it's likely R would have continued to defend them.

MBNA decided not to proceed with the chargebacks because they didn't think the provided evidence was sufficiently persuasive to have resulted in Mastercard ruling in Mr P's favour. I think this was a reasonable conclusion for MBNA to have reached based on the information that was available to them at the time.

As such, I'm not instructing MBNA to take any further action in relation to this complaint. I appreciate Mr P has strong feelings about what's happened. And this outcome will likely be

disappointing. But I find the £304.55 MBNA has already paid to Mr P comprises of a fair and reasonable outcome to this complaint.

For completeness, As Mr P paid for the goods using his credit card, there was also the potential for Mr P to have raised a like claim under Section 75 of the Consumer Credit Act 1974. But Mr P only asked MBNA to raise a chargeback. I'm not sure if MBNA considered the possibility of them also raising a Section 75 claim. But in the circumstances, I'm not persuaded that even had they done so, it would have led to a different outcome – the same sort of evidence would be needed as for a chargeback. And in any event, Mr P has been refunded the disputed transaction amount.

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 P to accept or reject my decision before 1 January 2026.

Carl Bibby
Ombudsman