

The complaint

Mr H is unhappy with how Nationwide Building Society (Nationwide) handled a refund claim he made.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them in full here.

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've read and considered the evidence submitted by the parties, but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Nationwide aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr H paid for this transaction using a Nationwide credit card, both chargeback and a Consumer Credit Act 1974 (CCA) Section 75 (S75) claim could possibly help him. So in deciding what is fair and reasonable I've focused on this.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case VISA). I've considered the relevant chargeback rules in deciding whether VISA acted fairly.

Mr H booked a stay via an agent I'll refer to as 'D' on 5 January 2025 at a sum of £55.99. However, he was later asked to provide further identification online which he felt wasn't secure. Mr H therefore refused to follow this request and in turn the accommodation hosts declined to refund the booking.

The most relevant chargeback code here would be 'Goods / Services Not Received'. I've therefore considered the evidence available regarding this chargeback rule and whether Nationwide acted fairly when they declined to progress Mr H's claim.

Chargeback rules are prescriptive. There needs to be sufficient evidence that the claim falls within a relevant code and that the scheme requirements are met before it can be progressed. In this case, however, I'm not persuaded that Mr H's complaint met the requirements of this chargeback code. I'll explain why.

Here, the merchant has said they required identification to be uploaded and Mr H has said he wasn't comfortable uploading this onto their site.

Typical chargebacks under this code may relate to services cancelled as the merchant wasn't able to deliver or possibly where there is a dispute with the quality of services provided. In this case the booking wasn't cancelled and the service would have been available if the requested identification had been provided.

Mr H's position is that he was asked to provide identification by upload and he wasn't informed of the requirements prior doesn't fall under any of the relevant reasons under this code. It also hasn't been disputed that the room was non-refundable if Mr H didn't stay (which was the case here).

As a result, Nationwide didn't progress the chargeback claim because there wasn't a reasonable prospect of success due to insufficient evidence it met the requirements under the card scheme rules. I can't say Nationwide did anything wrong here and I don't think the chargeback process would have been best suited for this type of claim.

I also note there could be a consideration of breach of contract by D when it comes to the identification upload requirement and so this would be better suited to S75. Unfortunately, this claim doesn't comply to the technical requirements under the CCA as I'll explain below.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, Nationwide would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and one of these is that the cash price of the transaction needs to be over £100 but less than £30,000. In this case Mr H's transaction doesn't fall within those limits.

This means I can't say Nationwide did anything wrong in not raising a S75 claim and I understand this was explained in their final response letter of 10 March 2025 to Mr H.

In summary, while I know this'll be frustrating to Mr H I can't say Nationwide did anything wrong here. There's insufficient evidence that his claim meets the requirements of the VISA chargeback rules, and in addition also doesn't meet the technical requirements for S75 either. I therefore won't be asking Nationwide to do anything more.

My final decision

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 24 February 2026.

Viral Patel
Ombudsman