

The complaint

Mr P has complained that Nationwide Building Society (“Nationwide”) declined his claim for money back in relation to a watch he purchased using his Nationwide credit card.

What happened

On 3 March 2025, Mr P ordered a watch from a supplier I’ll refer to as F. He used his Nationwide credit card to pay for the item and it cost £1,408. This was to be delivered to his home address via the Royal Mail special delivery service.

Mr P says he never received the item and on 20 March 2025 raised a dispute with Nationwide. Nationwide initially raised a chargeback claim on behalf of Mr P but this was successfully defended by F. F confirmed the watch had been delivered successfully on 13 March 2025, and it provided a copy of its GPRS tracking information, a photo and a signature on an electronic device to confirm receipt.

Nationwide declined Mr P’s chargeback claim but it referred his claim to Nationwide’s section 75 team to consider a claim under section 75 of the Consumer Credit Act 1974 (section 75). But for much the same reasons, it also declined his claim that as the item was correctly delivered it didn’t think there had been a breach of contract. Mr P raised a complaint as he was unhappy with the way the claims had been handled saying Nationwide simply accepted F’s response and didn’t give him an opportunity to submit further evidence.

Nationwide maintained that it made no errors in the way it responded to Mr P’s chargeback or section 75 claims and issued a final response on that basis. Mr P referred his complaint to this service. He felt that he had not authorised the watch to be delivered to anyone but himself so it shouldn’t have been left with anyone at his address, and he lives in a home with multiple occupants. He said the signature was not his and didn’t match the signature on his passport. He said that under the law, the risk of loss remains with the trader until the goods are in his possession, and he personally never received the goods. He reported the matter to the police. He felt that as the items were not delivered to him personally, there has been a breach of contract.

Our investigator looked into things and didn’t think Mr P’s complaint should be upheld. They said the evidence showed the items were delivered to his address and had been signed by someone with Mr P’s first name. Due to the proof of delivery, there wouldn’t have been a reasonable prospect of success of a claim under the chargeback scheme. Additionally, they also felt that as the items were delivered to his address and signed for, there wasn’t sufficient evidence of a breach of contract. They pointed out that Mr P had been given the opportunity to collect the items himself – but he had chosen to have it re-delivered to his home which had been attempted multiple times.

Mr P disagreed for a number of reasons including the following:

- He reiterated that the goods had not been delivered either to him directly or to anyone else he explicitly authorised, and therefore he had not received the watch.
- He felt that normal delivery practice did not override the law, which said that the

items had to be in his physical possession otherwise any losses remained the merchants.

- He said Nationwide had accepted that it may have been mis-delivered to someone else at the address and referred him to the police – so had accepted that it hadn't been delivered to him, and therefore this amounted to a breach of contract.
- He felt that a delivery attempt was not the same as contractual fulfilment.
- The evidence provided by F (the GPS data and signature on the electronic device), may show delivery to his address but doesn't prove that he took possession of the goods.

Our investigator responded to Mr P's claims explaining that their view remained unchanged. As the complaint couldn't be resolved, the complaint has 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.

I'd like to reassure Mr P, that I have considered all his concerns carefully, but I will only be dealing with the most salient parts of the complaint in this decision as I'm required to decide matters quickly and with minimum formality. So, while I may not comment on everything he has said, and submitted, I have taken into consideration everything he has sent in. Our rules allow us to do this.

Chargeback

When consumers pay for goods/services using their credit card, they can claim either under the chargeback scheme or make a section 75 claim. Initially, I've considered if Mr P could have obtained a refund via the chargeback process.

When considering a complaint about the chargeback process, I have to bear in mind that Nationwide is only responsible for ensuring that Mr P's claim for a refund is correctly processed and is not responsible for everything F did that Mr P might be unhappy with.

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, where goods or services are not as described, or where a credit isn't processed in line with a merchant's refund policy. In this particular case, an appropriate reason might be that goods aren't provided.

The chargeback rules set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to succeed – so customers aren't guaranteed to get a refund through the chargeback process. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect a financial business to raise a chargeback.

It's important to note that chargebacks are decided based on the card scheme's rules – in this case Visa's – and not the relative merits of the cardholder/merchant dispute. So, it's not for Nationwide – or me – to make a finding about the merits of Mr P's dispute with F, or whether or not the chargeback rules are fair. Nationwide's role is to consider if Mr P has met the conditions required to enable it to raise a chargeback on his behalf and consider whether any filed defence by the merchant complies with the relevant chargeback rules.

Nationwide appears to have initially raised a chargeback claim on Mr P's behalf under the goods/services not provided reason code of the scheme. But this was defended by F and it provided evidence that the goods were delivered correctly to his home address on the 13 March 2025. This was after several failed delivery attempts, offering Mr P the opportunity to collect from a local depot, and Mr P had re-booked the delivery for the 13 March 2025.

The merchant's defence was enough to mean the chargeback for that claim didn't succeed. The rules do appear to allow merchants to defend chargebacks on the grounds that they provide evidence that the goods had been delivered to the agreed delivery address.

Where the merchant challenges a chargeback, a bank doesn't have to carry out a detailed investigation into what actually happened to decide which party deserves the money. In fact, most banks won't take a chargeback any further if it's defended. In this case Nationwide decided not to take the dispute any further due to the defence submitted by F.

Chargeback is designed to be a simple process to settle complaints. The only matters to be considered are the rules set by the card scheme to which the consumer's card belongs, along with the facts of the case. It is not designed to settle complex disputes or to consider legal arguments.

In this case, Nationwide attempted the chargeback, and it was defended by F by explaining it had delivered the item to the correct delivery address. At this stage, there was little more Nationwide could do so I can't say it made any mistake or acted incorrectly by making that decision not to pursue matters further through to arbitration. I don't think that Mr P's claim had a reasonable prospect of succeeding at arbitration. It wasn't the case for example that the merchant's defence was noticeably poor or lacking in credibility. It raised a valid defence and provided evidence to support its position.

The chargeback scheme is a voluntary scheme run by VISA and only offers limited protection to consumers under specific circumstances. I can only uphold Mr P's complaint about this if I felt Nationwide made errors in the way it handled his claim for a refund, or if it acted unreasonably. But I don't think it did. So, I don't think Mr P lost out as a result of anything Nationwide might have done or not done.

Section 75

It may be helpful to explain that I need to consider whether Nationwide – as a provider of financial services – has acted fairly and reasonably in the way it handled Mr P's claim. And it's important to note Nationwide isn't the supplier. Section 75 is a statutory protection that enables Mr P to make a 'like claim' against Nationwide for breach of contract or misrepresentation by a supplier paid using credit it provided.

There are certain conditions that need to be met for section 75 to apply. From what I've seen, those conditions have been met, and Nationwide has also agreed that section 75 applies.

I've considered if there is persuasive evidence of a breach of contract by F that means Nationwide should have offered a remedy when handling Mr P's claim. But I want to explain from the outset that I can only consider Mr P's complaint on that narrow basis – that is, whether it was fair and reasonable for Nationwide to respond to his claim in the way that it did.

In order for me to uphold Mr P's section 75 claim for breach of contract, I'd have to be satisfied that F either breached an express term of the contract or an implied term. The Consumer Rights Act 2015 (CRA) is relevant to this complaint as it implies certain terms into

a contract. The CRA specifies when Mr P becomes responsible for the goods and essentially that's either when he takes delivery of the goods or when an authorised person takes delivery. The CRA also sets out what remedies are available to consumers if statutory rights under a goods or services contract are not met. But I also have to take into account what is usual practice in these sorts of cases, the facts and the wider circumstances to conclude what is a fair and reasonable outcome in the complaint.

As explained by our investigator, this service does not make legal findings but looks at all the facts, good industry practice, relevant law and guidelines, to decide what I think is a fair and reasonable outcome of the complaint. Where there is a lack of evidence, or contradictory views, I have to decide what I think is more likely based on the available evidence.

I would also point out, that as Mr P is making the claim that F has breached the contract that he believes Nationwide is responsible for remedying, the onus is on him to prove this.

So, I've gone on to consider whether there is sufficient evidence there has been a breach of a term in the contract that would enable me to uphold this complaint and order Nationwide to offer a remedy.

I appreciate Mr P feels like the evidence F has submitted isn't in his view good enough evidence to show proof of contractual fulfilment. But the GPS location tracker does show the delivery driver went to his address. The photo F submitted, shows the package inside his home being held by a person. And F went further by obtaining a signature from a person who gave the same first name as Mr P. I think this strongly suggests the item was correctly delivered and signed for in line with the usual special delivery process agreed to by Mr P when he ordered the item.

I've also thought about the wider circumstances in this case. I've noted that F (via Royal Mail), had tried to deliver the items on 4, 5 and 8 March 2025 – but failed as Mr P wasn't in. Delivery was rebooked after Mr P contacted F to explain he hadn't received the watch, and he was unable to collect from a depot, so it was rebooked on 13 March 2025. It seems it was then correctly delivered to his address on a date Mr P was fully aware delivery would be attempted.

Mr P is also aware he lives in a home with multiple occupants, and I appreciate Mr P says he didn't give explicit authority for anyone he lives with to accept the delivery on his behalf. But bearing in mind he lives in a multiple occupant home, and knew the item was going to be delivered when he wasn't home, I think it's implicit that roommates may accept the delivery on his behalf. I don't think it's unreasonable that the driver assumed that other adults living in the home who know Mr P's name and are happy to sign for it have been authorised to keep the parcel on his behalf. If Mr P didn't want the watch to be left with the other adults he lived with and to only be delivered to him personally, he ought to have told F that he couldn't accept delivery on that day and arranged for a day he would be home or taken up the option to collect the watch from a local depot.

Based on what I've seen, like our investigator, I don't think it was unreasonable for Nationwide to decline the claim on the grounds that there isn't sufficient evidence of a breach of contract in this case.

I want to re-assure Mr P that I have looked at all the arguments and claims he's made including the provisions under the CRA, as well as the comments from the signature specialist that said they couldn't compare a signature on an electronic device with a handwritten signature. But none of that changes my view of the complaint.

Overall, I don't think there's sufficient evidence that there's been a breach of contract and I don't think Nationwide acted unfairly for declining this claim. While I am sorry to hear Mr P is unhappy, with section 75 in mind, I don't find there are grounds to direct Nationwide to refund him the full cost of the goods. I also don't think he's lost out because of anything Nationwide did or did not do in relation to his claim under the chargeback scheme.

I would re-iterate that this service doesn't make legal findings and can't take evidence under oath. So, it may be helpful to point out that Mr P doesn't have to accept this decision. He's also free to pursue the complaint by more formal means such as through the courts.

My final decision

For the reasons given above, 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 20 January 2026.

Asma Begum
Ombudsman