

The complaint

Mr M has complained about the way Vanquis Bank Limited (“Vanquis”) dealt with a claim for money back in relation to digital products he paid for using his Vanquis credit account.

What happened

All parties are familiar with the facts of this case so I’ll only briefly set them out here. In July 2025, Mr M used his Vanquis credit account to pay for a number of application extras (add-ons) for a dating application he was using from a developer I’ll refer to as U on a device manufactured by a company I’ll refer to as A. After purchasing the add-ons, Mr M says he tried them and didn’t like the functionality so on 2 August 2025, he says he tried to cancel them. I understand some of them were refunded but three remain in dispute. My understanding is that the ones in dispute cost him £29.99, £39.99 and £89.99.

When Mr M didn’t get a refund, he contacted Vanquis on 4 August 2025 to raise a dispute. Vanquis says it asked for evidence that Mr M had tried to cancel the products and the method of cancelling and when this wasn’t received, it didn’t progress his chargeback claim. After Mr M complained, Vanquis issued a final response on the same basis.

Mr M remained unhappy so he referred the complaint to our service. He explained that he had a 14-day right to a cancellation and tried to cancel well within this period and Vanquis hadn’t considered his claim in line with his consumer rights.

Our investigator looked into things and felt the way Vanquis dealt with Mr M’s chargeback request wasn’t unfair. Based on the available evidence, it looked like Mr M’s claim didn’t have a reasonable prospect of success. They also pointed out that, as the add on services purchased, cost less than £100 each, they couldn’t consider a claim under section 75 of the Consumer Credit Act 1974 (Section 75.)

Mr M didn’t agree and reiterated his earlier concerns. Our investigator reiterated their earlier findings and also explained that the response from the device provider (A) said that Mr M wasn’t entitled to a refund. As the complaint couldn’t be resolved it’s been passed to me to make a 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.

Firstly, I’d like to reassure Mr M, 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. Our rules allow me to do this.

In deciding this complaint, I’m only considering the actions of Vanquis and how it handled Mr M’s request that it raise a chargeback on his behalf. Vanquis is only responsible for ensuring that Mr M’s claim for a refund is correctly processed and is not responsible for everything U

did that Mr M might be unhappy with. Having considered everything very carefully, I have to tell Mr M that I'm not going to uphold his complaint, and I'll explain why.

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 the goods purchased weren't as described.

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 – and not the relative merits of the cardholder/merchant dispute. So, it's not for Vanquis – or me – to make a finding about whether the merchant correctly declined to refund Mr M the costs of the add-ons, or whether or not the chargeback rules are fair. Vanquis's role is to consider if Mr M has met the conditions required to enable it to raise a chargeback on his behalf.

Vanquis explained that it hadn't progressed Mr M's chargeback dispute because he hadn't provided evidence of when and how he cancelled the purchases. Mr M has since provided evidence to this service that he did try to cancel with his device provider A directly, but this was declined by the provider as it said he hadn't qualified for a refund. But in order to progress the chargeback, Vanquis would need evidence that Mr M had cancelled the service, and then it could only claim for the unused portion of the service. But Mr M said he had used the add-ons to test them out. So, it looks like the testimony he provided indicated that he's used the add-ons, even if this was simply to test them.

Like our investigator pointed out there are also additional difficulties for Mr M to claim a refund through the chargeback scheme. He cannot claim the products weren't provided as they were and they were used. To obtain a refund for the content not being as described, Vanquis' would have needed to show that the products were described in a particular way, but the product given to him didn't match that description – rather than Mr M not being happy with the functionality. While consumers might have multiple reasons for trying to cancel a product, the chargeback scheme only allows refunds to be requested under a limited set of circumstances and not all claims are covered by the chargeback scheme.

Additionally, sometimes businesses' can claim a refund if a consumer can provide evidence that they were entitled to a refund under the merchants policy but this was not provided. Mr M has provided a copy of the providers (A) terms. This does set out a 14 day right to a cancellation but this also specifies that if the delivery of the content has started then consumers lose the cancellation rights. A told Mr M he didn't qualify for a refund under its terms and Mr M has already told Vanquis that he did use the products even if only to test them out.

Based on what I've seen, I don't think Mr M's claim had a reasonable prospect of success. It looks like the content was provided, used and it's not clear based on the evidence he has provided that either the content didn't match the merchants' description or that he's entitled to a refund under the merchants policy.

Mr M has referred to consumer protection laws and referenced the Consumer Rights Act 2015 (CRA) – but I’m afraid this isn’t relevant when considering a claim for chargeback. The chargeback scheme is a voluntary scheme run by VISA – where Vanquis can request a refund on behalf of a consumer against a merchant such as A only when specific conditions are met in line with the chargeback rules. Based on his circumstances, I think the most applicable reason codes to request a refund are where a service isn’t as described, or where a consumer is entitled to a refund under the merchants policy. And I’ve explained above why I don’t think his claim likely had a reasonable prospect of success under the scheme rules and why. So, I don’t think Mr M has lost out as a result of anything Vanquis did/did not do.

Sometimes consumers can claim under section 75 where a wider assessment of their claim can be carried out and consumer protection laws such as the CRA can be considered. But as explained by our investigator, in order to do this, the products purchased must individually have a cash price of more than £100. Mr M’s purchases therefore aren’t within the financial limits to enable him to make a section 75 claim against Vanquis.

I want to clarify that I haven’t considered Mr M’s claim against U or A and I’m not saying things haven’t gone wrong or that his claims against those businesses have no merit. I cannot look at claims directly against U or A so I can’t comment on that. I can only look at whether Vanquis has acted fairly. And as explained, I don’t think Mr M has lost out as a result of the way Vanquis progressed his chargeback claim, and he can’t claim under section 75 against Vanquis due to the cash prices of his purchases. So, his complaint against Vanquis is not one I can uphold. But Mr M may have options outside of this service for claims against U or A.

Overall, I find no grounds to uphold this complaint. I should point out Mr M doesn’t have to accept this decision. He’s also free to pursue the complaint by more formal means such as through the courts. This service does not provide legal advice, so if Mr M chooses to pursue the matter more formally either against Vanquis, U or A, he may wish to seek independent legal advice.

My final decision

For the reasons I’ve explained, I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 7 May 2026.

Asma Begum
Ombudsman