

The complaint

Mr D has complained Metro Bank PLC declined a 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 D ordered three mobile phones from a merchant, who I'll refer to as R, paying a total of £3,254.95 using his Metro debit card. Mr D says he received a package from R, but when he opened the three enclosed boxes he found none of them contained a phone. So, Mr D contacted R to make them aware of the missing phones. R responded by saying they were satisfied the phones had been successfully delivered, so they declined to provide any refund to Mr D.

Unhappy with R's response, Mr D asked Metro to raise a chargeback for the disputed transaction amounts. Metro asked Mr D to provide them with more information and evidence to support the claim – which Mr D provided. This led to Metro raising a chargeback under Mastercard dispute condition 4853. Metro also provided a temporary credit (of £3,254.95) to Mr D's account, but warned they'd take this back if the chargeback was unsuccessful.

R defended the chargeback providing evidence which they believed showed a package containing the three phones had been successfully delivered to Mr D. R said the boxes were weighed by the manufacturer before being sent to their warehouse and this matched the weight taken by the courier prior to delivery to Mr D. R also said the boxes had a protective seal, but Mr D was unable to provide any images to show this had been broken at the point of delivery or that the package had been tampered with. R also asked Mr D for the IMEI numbers so they could check if the phones had been activated. But Mr D said he was unable to do so as he had disposed of the three boxes.

Metro sent the evidence R had provided to Mr D saying that unless he was able to provide more information within 14 days, they would close the chargeback and debit the temporary refund as the available evidence meant there was little to no prospect of the chargeback succeeding if they proceeded to the next pre-arbitration stage. Because Metro didn't receive any response within the provided 14-day period, they closed the chargeback and debited £3,254.95 from Mr D's debit account.

This resulted in Mr D raising a complaint with Metro about how they had handled the chargeback with Mr D saying he hadn't received the letters Metro had posted to him. Mr D was also unhappy the debit had resulted in his account going overdrawn. Metro responded by saying they had processed the chargeback correctly and in line with the scheme rules. Metro also said they had made Mr D aware at the outset that they didn't send updates or request for further information by email – they only sent chargeback correspondence by post.

Unhappy with Metro's final response, Mr D asked the Financial Ombudsman to consider the matter. Our Investigator didn't uphold Mr D's complaint. In summary, the Investigator said:

- they thought Metro had acted fairly when deciding not to proceed with the chargeback given the available evidence.
- it was reasonable for Metro to take the temporary credit back when they did as they were satisfied Metro had provided adequate prior warnings and notifications. The Investigator noted the reason this led to the account going overdrawn was because Mr D had transferred the temporary credit to another account soon after receipt.
- it was reasonable for Metro to have only communicated by post and not email.

Mr D didn't agree with the Investigator's findings, saying, '*I would like you to go to the ombudsman*'. 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 (Metro) to reclaim money from the merchant's (R's) bank where there are certain problems with the purchase of goods or services by a consumer (Mr D). 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 D's card was issued under the Mastercard brand, the Mastercard chargeback rules apply here.

The scheme rules are written by Mastercard. Metro must follow the rules – which are strict, and time limits apply. The rules allow the merchant 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 Metro.

What I need to decide here is whether Metro processed the chargeback correctly and in a timely manner. Based on what I've seen, I think Metro did do so. I'll explain why.

Did Metro act fairly when deciding not to proceed with the chargeback

R defended the chargeback. I appreciate why Metro believed the evidence provided by R was persuasive in showing the phones had likely been successfully delivered to Mr D. So, in the circumstances, I think it was reasonable for Metro to want Mr D to provide more to show this wasn't the case.

Metro posted a letter to Mr D to inform him that R had defended the chargeback, enclosing copies of the evidence R had provided in their defence. The letter explained that unless Mr D was able to provide Metro with more information within 14 days to refute what R had said, they'd proceed to close the chargeback. Mr D says he didn't receive this letter at the time because he was at university – he wasn't residing at the postal address linked to the debit account. Mr D has also highlighted he asked Metro to send communications about the chargeback by email, but Metro had declined to do so – even though they would accept emails from him.

It's not for the Financial Ombudsman to say how a business should operate. Metro has decided they will only issue correspondence in relation to a chargeback by post – which they made Mr D aware of at the outset.

When Mr D first asked Metro to raise a chargeback, Metro posted a letter to Mr D saying they needed him to provide them with more details about what had happened and supporting evidence. It seems Mr D did read that letter (or at the least was made aware of its content) as he responded by providing Metro with the requested information. Had Mr D not done so, Metro wouldn't have raised the chargeback. So, I think it was reasonable for Metro to believe Mr D would have been able to act on any further letters they sent to him.

Because Metro didn't receive a response from Mr D within the provided 14-day period, I consider Metro acted fairly when deciding not to proceed with the chargeback. Based on the available evidence, I think it was reasonable for Metro to conclude there was little to no prospect of the chargeback succeeding. Even had Mr D read and responded to Metro's letter at the time, it seems the same outcome would have been reached. I say this because Mr D did subsequently send further information to Metro, but they decided it wasn't sufficient *'to counteract the documents provided by the merchant'*.

The letter that informed Mr D the chargeback would be closed in 14 days if Metro didn't hear from him, also warned the temporary credit would be debited from his account at the same time. Again, I appreciate Mr D says he didn't read that letter at the time. But for the reasons I've explained above, I think this was a reasonable way for Metro to have provided updates to Mr D about the chargeback. I'm also mindful that when giving Mr D the temporary credit, Metro warned that if the chargeback was unsuccessful, they'd take the credit back.

Soon after he received the temporary credit, Mr D transferred most of the funds elsewhere. I don't know why Mr D did this. But this directly led to the account going overdrawn when Metro took the money back. Mr D has complained about the interest incurred due to the overdrawn balance and the impact this has had on his credit record. I haven't seen anything to show the interest has been incorrectly calculated and Metro is obliged to report accurate financial information to the credit reference agencies.

Given I don't find Metro acted unfairly when taking the temporary credit back at the point they did, I think it was reasonable for Metro to charge interest on the overdrawn balance and report the account's status and operation to the credit reference agencies. Even when Mr D became aware his account was overdrawn, he didn't transfer enough funds to bring it into credit. It's my understanding Mr D is clearing the overdrawn balance through an agreed payment plan. So, I think it's fair to say that even had Mr D read Metro's letter at the time it was issued, it seems he wouldn't have been able to add sufficient funds to the account to have prevented it from going overdrawn.

For the reasons I've explained above, I think Metro acted fairly when deciding to close the chargeback and take back the temporary credit when they did. So, I'm not directing Metro to take any further action in relation to this complaint. Based on what I've seen, I think Metro processed the chargeback correctly and in line with the scheme rules and in a timely manner without any undue delays.

My final decision

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 March 2026.

Carl Bibby
Ombudsman