

The complaint

Mr G has complained that National Westminster Bank Public Limited Company trading as Sainsbury's Bank Plc declined his claim for a refund of a purchase made using his credit card account.

What happened

On 16 December 2024, Mr G had placed an online order with a retailer I'll refer to as X. He ordered:

- Two pillowcases costing £55.25 each
- Two linen pillowcases costing £59.50 each
- One "waffle robe" costing £63.75
- One duvet cover costing £157.25
- One fitted sheet costing £123.25

The order was sent in two parcels. When these were delivered, the delivery firm left a note saying the parcel was behind a green bin. Mr G says he wasn't at home when the parcels were delivered and couldn't find them on his return. X wouldn't offer Mr G a refund so he asked Sainsbury's to raise a chargeback and consider a claim under Section 75 of the Consumer Credit Act 1974 ('Section 75').

Sainsbury's explained Mr G could only make a Section 75 claim for goods that cost over £100 and only two of the items ordered cost over £100. For the two items over £100, Sainsbury's said it was his Mr G's responsibility to give X alternative delivery instructions or a safe place for the delivery to be left.

Unhappy with Sainsbury's decision, Mr G complained. In response, Sainsbury's said its decision on Mr G's Section 75 claim remained unchanged. Sainsbury's added that it wouldn't raise a chargeback as the goods had been delivered to Mr G's address.

Mr G referred his complaint to our service and added he wasn't given the option to provide delivery instructions during the order process.

One of our investigators reviewed Mr G's complaint but thought Sainsbury's had treated him fairly. Mr G disagreed, saying he had one contract with X and his items that cost less than £100 were part of a bundle and should all be considered as part of his Section 75 claim.

Mr G was also unhappy Sainsbury's didn't pursue a chargeback further. At Mr G's request, his complaint was referred for an Ombudsman's decision. I issued a provisional decision on 20 November 2025 that set out my findings:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

When a person approaches their credit card provider for assistance when something has gone wrong with a purchase they've made, there are a couple of ways in which their provider may be able to help. The provider could potentially attempt what is known as a "chargeback" on any payments made with the card, and they could consider a claim under Section 75.

Chargeback provides an avenue for a bank to raise a dispute with a merchant where something has gone wrong. However, it doesn't cover all eventualities, it isn't a legal right and isn't guaranteed to get a customer a refund. It's good practice for a credit provider to attempt a chargeback where the circumstances are appropriate and there is a reasonable prospect of success. Strict rules and timeframes apply to chargebacks, and these are set out by the card scheme operator (in this case, that's Mastercard).

Under Mastercard's rules, it's possible to raise a chargeback for "goods not provided". However, I think Sainsbury's was right to decide it was unlikely a chargeback would succeed. The delivery firm provided photos of the parcels on Mr G's property, behind the bin. Whilst Mr G says the parcels weren't there when he returned home, they were delivered to his property and Mastercard's rules don't require the goods to be delivered into his physical possession. Sainsbury's weren't obliged to attempt a chargeback that was unlikely to succeed, so I don't think it did anything wrong in proceeding to consider Mr G's dispute as a Section 75 claim.

Section 75 of the Consumer Credit Act 1974 allows a customer to submit a claim for breach of contract or misrepresentation by a supplier to their credit provider. I'm satisfied there was a valid Debtor-Creditor-Supplier Agreement between Mr G, Sainsbury's and X. However, for Section 75 to apply to a transaction it must also be shown that the claim relates to an individual item, or service, with a cash price of over £100 and no more than £30,000.

Here, Mr G bought a duvet cover and fitted sheet which each cost over £100, so Sainsbury's was right to say he was able to make a claim for these under Section 75. Mr G says all of his items should be considered as part of his Section 75 claim. However, it is the cost of each individual item that is relevant for deciding whether they are eligible to be considered as part of his Section 75 claim. The items Mr G ordered that didn't cost more than £100 weren't part of a bundle, and could all be purchased separately. So, I agree with Sainsbury's that it wasn't obliged to consider a Section 75 claim for the items that cost less than £100.

Turning to the Section 75 claim for the duvet cover (costing £157.25) and the fitted sheet (costing £123.25), I've considered the Consumer Rights Act 2015 (CRA). Section 29 of the CRA sets out that the contract between X and Mr G is to be treated as including a term that the goods supplied to Mr G remained at X's risk until they came into his physical possession (or a person he identifies to take possession).

The duvet cover and fitted sheet were delivered to Mr G's property but they weren't, for example, handed to him or someone else authorised by him to receive the delivery. So, they didn't come into his physical possession and the duvet cover and fitted sheet remained at X's risk. Mr G says his parcel wasn't behind the bin or on his property when he returned home. There is also no evidence to suggest X gave Mr G the option to make alternative delivery arrangements or authorise the delivery of the parcel to a designated safe place on his property. This means that X had an obligation to deliver the parcels into Mr G's physical possession. So, if the parcel went missing before coming into Mr G's physical possession, X remains liable for it. Because of this, I think Sainsbury's should have accepted Mr G's Section 75 claim for the duvet cover and fitted sheet.

Putting things right

Sainsbury's should pay Mr G £280.25 (the total cost of the duvet cover and fitted sheet). If

any interest or charges were applied on this amount, Sainsbury's should refund these to Mr G's credit card account.

It's clear Mr G has been caused some inconvenience by Sainsbury's incorrectly declining his claim for the duvet cover and fitted sheet. To recognise this, I think Sainsbury's should also pay Mr G £100 compensation."

NatWest accepted my provisional decision. Mr G reiterated that Sainsbury's had not previously applied the "over £100" rule when assessing other claims. He also said he'd been paid more compensation for other complaints and stressed the impact Sainsbury's actions had on him.

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 not been provided with any new evidence or arguments that persuades me to depart from my provisional decision. I'll briefly address Mr G's response to my provisional decision.

I remain of the view that Sainsbury's decision not to attempt a chargeback was reasonable for the reasons set out in my provisional decision.

Whilst Sainsbury's may have taken a different approach to settling other claims, those do not form part of this complaint and the technical conditions for a Section 75 claim are as I set out in my provisional decision.

I note Mr G says he's been paid more compensation for other complaints but each claim or complaint is considered on its own merits. I remain of the view that £100 compensation is reasonable in the circumstances of this complaint.

Putting things right

1. Sainsbury's should pay Mr G £280.25 (the total cost of the duvet cover and fitted sheet). If any interest or charges were applied on this amount, Sainsbury's should refund these to Mr G's credit card account.
2. If it has not already done so, Sainsbury's should pay Mr G £100 compensation.

My final decision

I uphold this complaint and require National Westminster Bank Public Limited Company trading as Sainsbury's Bank Plc to do what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 December 2025.

Victoria Blackwood
Ombudsman