

## The complaint

Mr G complains that he hasn't received refunds he was due from Zilch Technology Limited (Zilch).

## What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

*"In July and August 2024 Mr G made multiple purchases that ended up being a scam. He raised this with Zilch in August 2024 when he realised what had happened. Zilch assisted Mr G in trying to get a refund by attempting chargebacks for him. On 13 November 2024, Zilch advised Mr G that on 1 November 2024 it had refunded a total of £785.25 to the debit card linked to his Zilch account. Zilch acknowledged this wasn't the total refund Mr G was expecting, but it was still considering other transactions.*

*The same day Mr G explained he hadn't received the refund and that this was likely because the bank account connected to the debit card Zilch had refunded was no longer active. Mr G provided account details for a different bank account. Zilch advised it would speak to its internal team to see if the refunds could be reissued. On 15 November 2024 Zilch said Mr G would need to contact his old bank for them to transfer the refunds.*

*During November and December 2024 Mr G remained in contact with Zilch, as the refunds hadn't been credited to his old bank account. He also logged a complaint. Zilch issued its final response on 8 January 2025. In this it said it had already refunded £885.25 to Mr G's debit card that was connected to his old bank account. This refund was the £785.25 processed on 1 November 2024 and a further £100 sent on 11 December 2024. Zilch explained it had raised chargebacks for a further two transactions and was waiting to see if the merchant responded within the allowed 45-day timeframe.*

*Unhappy with this Mr G referred his complaint to the Financial Ombudsman Service. One of our investigators looked into the matter. They initially asked Zilch for an update on the remaining two chargebacks that had been raised. Zilch confirmed these had also been refunded in January 2025. The investigator said Zilch had explained it returned the payments to the original payment method (that being Mr G's linked debit card) as per its process. The investigator added it was unclear if Mr G had checked with his old bank to see if the funds had been credited there, given the confusion around his request to change accounts for where the refunds were to be credited.*

*Mr G responded and provided his bank statements for the time period that didn't show any credits from Zilch. He also provided a screenshot of a chat with the bank where an advisor explained no incoming payments had been received from Zilch to his account. The investigator concluded that Zilch had evidenced it had sent the payments back to the original account and therefore couldn't say Zilch had acted unreasonably.*

*Mr G didn't agree and said he had shown he hadn't received the refunds Zilch said it had sent. Mr G then said the bank told him it didn't accept funds from Buy Now Pay Later type companies and therefore the funds would have bounced back. Zilch confirmed this wouldn't be the case and the refunds were accepted and haven't bounced back. The complaint was therefore passed to me to decide.*

*I asked the investigator to contact Mr G's bank and ask if the refunds Zilch says it sent were credited to the account linked to the card number Zilch says it used to process the refunds. The third-party bank said it had reviewed Mr G's account and was unable to locate any payments linked to Zilch or any transactions for the amounts of the refunds. I also asked the investigator to see if Zilch could provide anything further to show the refunds were processed. Zilch responded and provided further evidence that it said showed the refunds had been made.*

### ***What I've provisionally decided – and why***

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

*I would like to point out I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.*

*It isn't disputed here that Mr G was meant to receive multiple refunds from Zilch. Zilch's evidence does appear to show the refunds were processed and when. But here Mr G has provided the transaction history for the account linked to the debit card Zilch says it refunded, and that doesn't show the credits being applied. And his bank has also confirmed to our service that it's been unable to locate any payments linked to Zilch or anything for the amounts of the refunds in question. So, I'm satisfied here that Mr G hasn't received the refunds he was meant to receive and so something has gone wrong.*

*I don't know how Zilch processes its payments and the steps that involves. It's possible here that a potentially a technical issue occurred after the refunds were processed which means they show as being sent and weren't. I appreciate Zilch says the refunds were accepted by Mr G's bank. I haven't been provided evidence that shows this. Had that been the case then I see no reason why Mr G's bank would say it's been unable to locate any payments relating to Zilch.*

*I think Zilch are in a better position, and are certainly more equipped than Mr G, to try and locate where the refunds it says were sent now are. Because as I say, I'm satisfied these haven't been received into his account. I don't think Mr G could've done anymore here to try and resolve the situation. I also note that the bank wouldn't be able to trace payments it says were never received. I think as the sender of the refunds it would be for Zilch to now investigate what's happened (with assistance potentially from its acquiring bank and Mr G's bank) to try and find the missing funds.*

*I don't however believe that Mr G should have to wait any longer. Mr G hasn't received a large amount of money he was due, and it's been a considerable amount of time since the first refunds were processed. He has evidenced he hasn't had the refunds and therefore Zilch should reissue them to an account of Mr G's choosing while it continues to investigate. Once located, those funds would then be Zilch's, given it would've already reissued the refunds to Mr G.*

*It's clear this situation has caused Mr G distress and inconvenience. He has explained how worried he has been about the large amount of amount that is missing. His worry has been heightened by Zilch saying it can't do any more to help when it's been made clear he didn't receive what he was owed. I can understand why Mr G was so distressed in those circumstances especially given the amount at stake. I think Zilch could've done more than effectively saying to its customer that it can't assist when they've shown the refunds haven't been credited.*

*Zilch itself in the final response also acknowledged it had clearly failed to uphold its standards of customer service. So given what's happened, I believe Zilch should award Mr G*

*a further £100 to compensate him for the distress and inconvenience he has been caused. I believe this is fair and reasonable in the circumstances of this complaint.”*

I invited both parties to respond with new information they wanted me to consider before I made my final decision.

Mr G responded and said he was happy to accept the provisional decision. Zilch however did not agree. Zilch initially said it had provided more than enough evidence to confirm that the refunds had been sent. Zilch then asked what more it could provide and asked for the statements for account linked to Mr G's debit card. The investigator didn't send the statements but did share the communication from Mr G's bank that advised it was unable to locate any payments for the amounts of the refunds or anything from Zilch for the dates given (November 2024 to January 2025). Zilch said it would refer the matter to its finance team. It then provided more evidence that refunds had been issued to Mr G.

### **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 reviewed the further evidence Zilch has provided. This being five individual refund reports showing the amount, date of refund and Mr G's account holder information that includes the last four digits of his card number. Three of the five reports had already been provided in submissions from Zilch prior to my provisional decision. The other two were in the exact same format but addressed two other refunds issued on 29 January 2025.

Zilch has asked what more it can give here. Ultimately, it's for Zilch to provide what it believes is material in response to the provisional decision. I'm satisfied the provisional decision explained why I'd reached the outcome I did. I acknowledged Zilch had provided evidence that appeared to show the refunds were processed and when. But said why based on the other evidence I wasn't persuaded that Mr G's bank account had received the refunds and therefore they should be reissued while Zilch continues to investigate. I added that the initial issued refunds would belong to Zilch once located.

I do appreciate the reports may be all Zilch can provide, given what it sent after my provisional decision is largely a repeat of what it had already submitted. But given I'd already considered several of these reports prior to issuing my provisional decision, I see no reason to now depart from the findings I reached in that.

I know Zilch is frustrated in being asked to reissue refunds it believes it's shown have already been processed. I'm not disputing the evidence that Zilch has provided. The evidence states refund, has the date and the amounts. It doesn't explicitly show the refunds have been accepted by Mr G's bank or for example the funds leaving Zilch's bank account. What is clear is something has gone wrong here as Mr G's bank have confirmed it's received no refunds from Zilch or for the amounts in question.

As I've said, I find it more likely based on the evidence that an issue has occurred after Zilch processed the refunds which has resulted in them not being credited to Mr G's bank account/debit card. Zilch is best placed to investigate this. But given the considerable wait Mr G has already experienced, I remain satisfied that Zilch should reissue the refunds now. It should also pay Mr G £100 compensation for the distress and inconvenience he's suffered.

### **Putting things right**

- Zilch should reissue all the refunds it processed between November 2024 and January 2025 to an account of Mr G's choosing. When the initial refunds are recovered, these will belong to Zilch.
- Pay £100 compensation for the distress and inconvenience caused.

### **My final decision**

I uphold Mr G's complaint and require Zilch Technology Limited to put things right for him as 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 9 February 2026.

Paul Blower  
**Ombudsman**