

The complaint

Mr M has complained about Nationwide Building Society declining his 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.

In April 2025, Mr M paid £798 to a car dealership, who I'll refer to as R, using his Nationwide debit card. This was to cover the cost of R applying a 'wrap' to the roof of a vehicle Mr M bought from them. But Mr M decided to cancel the order because he found he could get the work done for cheaper elsewhere. However, R only offered to refund £390. Mr M complained to R about this - who responded by saying they were unable to refund the additional £408 because their supplier had already bought and paid for the materials needed to complete the job prior to Mr M cancelling the order. R informed Mr M the materials were available for him to collect.

Unhappy with R's response, Mr M asked Nationwide for help in getting a full refund. In summary, Mr M said R had failed to disclose at the point of sale he may not get back all his money if he cancelled the order. Nationwide raised a chargeback with Visa on the basis services not received and cancelled. They also credited Mr M's account with the disputed amount (of £798). But warned this would be re-debited if the chargeback was unsuccessful.

R defended the claim saying it was reasonable for them to deduct the cost of the materials that had been bought prior to Mr M cancelling the order. Nationwide decided to proceed to the pre-arbitration stage, but R continued to defend the claim saying their terms and conditions allowed them to make the deduction. Ultimately, Nationwide decided it was unlikely Visa would rule in Mr M's favour if they proceeded to the final arbitration stage. So, they informed Mr M the chargeback was unsuccessful and had been closed. Unhappy with this outcome, Mr M raised a complaint with Nationwide about how they'd handled the chargeback and the outcome. Nationwide responded by saying they'd processed the chargeback correctly and in line with the scheme rules. However, Nationwide did offer to pay £75 to Mr M in recognition of them providing him with some incorrect information and poor service during a conversation one of their agents had held with him.

Because Mr M didn't agree with what Nationwide had said, he brought the complaint to the Financial Ombudsman saying, *'I agree that the £75 compensation for providing incorrect information and poor service is reasonable, however their handling of my dispute and their incorrect decision and lack of a proper review has still left me -£723'*. Mr M also said the terms and conditions R made available to him at the point of sale made no mention of a potential cancellation fee and said he could cancel the order within 14 days without any issue.

The Investigator didn't uphold Mr M's complaint. In summary, the Investigator said they believed Nationwide had acted fairly when deciding not to proceed with the chargeback following R defending the claim. Mr M didn't agree with the Investigator's findings. 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 (Nationwide) 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 M). 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 M's card was issued under the Visa brand, the Visa chargeback rules apply here.

The scheme rules are written by Visa. Nationwide 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 Visa who decides the outcome of the dispute – not Nationwide.

As it's a voluntary scheme, Nationwide didn't have to submit a chargeback to Visa or appeal a decision. But, when there's a reasonable prospect of success, I'd expect them to do so.

It's also important to remember the banks don't regulate the merchant. And it's not for me to decide if R acted fairly. What I can consider here, is how Nationwide processed the chargeback for Mr M and check if they've followed the rules correctly and in a timely manner.

Chargeback outcome

Ultimately, Nationwide decided not to proceed to the final arbitration stage because they thought it was unlikely Visa would rule in Mr M's favour. Given the information that was available to them at the time, I appreciate why Nationwide reached this conclusion. I say this because:

- It isn't disputed that Mr M originally paid R £798 to carry out work on his vehicle. What is in dispute is whether it was fair for R to only offer to refund £390 following Mr M deciding to cancel the order.
- It appears R has two sets of terms and conditions of business (T&C's) – one for the supply of goods (typically relating to the purchase of new and second-hand vehicles) and the other for the supply of servicing, repairs and parts. The T&C's for the supply of parts say the cost of any non-returnable materials will not be refunded. Mr M says the sales invoice only provided a link to the T&C's for the supply of goods. So, I appreciate why Mr M says he wasn't provided with all the relevant information he needed to have enabled him to make a fully informed decision at the point of sale. But I'm not persuaded this invalidated the T&C's relating to the purchase of the parts.
- The chargeback process was the means available to Nationwide to help Mr M get back the disputed transaction amount. A chargeback is determined solely by the scheme rules and the rules are strict. Of importance here is that the protections afforded to consumers in relation to the purchase of goods under the Consumer Rights Act 2015 (CRA) and the Consumer Credit Act 2016 (CCA) don't apply to chargebacks. This doesn't mean the CRA and CCA didn't apply to the sale – they do. If Mr M believes there have been failings by R under the CRA or CAA then he

potentially could pursue this through any other available means.

- The evidence shows R had already secured from an independent supplier the materials they needed to complete the job before Mr M cancelled the order and these were non-returnable. So, it seems reasonable for R to require Mr M to cover the cost of those materials – which R said were available for Mr M to collect.
- The evidence shows the supplier charged £408 for the materials. I appreciate Mr M believes this is a high price. I note the invoice provided to Mr M by R at the point of sale didn't provide a breakdown of the involved costs – it only gave a total price. But I'm mindful Mr M was happy to pay this overall amount at the time and didn't query how much the materials cost. It wasn't for Nationwide to dispute what the supplier charged – and it's my understanding Visa wouldn't have done so either.

As a chargeback is a voluntary scheme there was no requirement for Nationwide to progress it to the final arbitration stage. Having said that, I'd have expected them to do so, if there had been a good prospect of Visa ruling in Mr M's favour. Mr M believes Visa would likely have done so. But for the reasons I've explained above, I appreciate why Nationwide didn't think this was likely. Based on what I've seen, I think Nationwide acted fairly when deciding to close the chargeback when they did.

Overall, I think Nationwide correctly followed the scheme rules and processed the chargeback fairly and in a timely manner without any undue delays.

How Nationwide communicated with Mr M

Nationwide acknowledged in their final response to Mr M's complaint that during a telephone conversation they provided him with some inaccurate information about the chargeback and the service didn't meet the standards they strive to uphold. Nationwide offered to pay Mr M £75 in recognition of any resulting distress and inconvenience – which Mr M accepted. In the circumstances, I think this represented fair compensation for these failings. However, it's my understanding Nationwide paid Mr M £100 due to a delay in them making the agreed payment.

My final decision

My final decision is that to the extent the offered £100 has already been paid to Mr M, I think this comprises of fair compensation. So, I don't require Nationwide Building Society to take any further action in relation to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 April 2026.

Carl Bibby
Ombudsman