

The complaint

A limited company, which I'll refer to as W, complains that First Data Europe Limited trading as Clover failed to tell it the outcome of a chargeback. W also complained that Clover has failed to credit it with some of the proceeds of its card transactions without explanation.

What happened

W told us:

- In July 2024, Clover notified it of two chargebacks, which it defended.
- For one of the chargebacks, Clover sent a further letter dated August 2024, saying that the defence had failed and inviting W to submit further evidence.
- W had heard nothing further about the other chargeback, which was for €9,600.
- W was also missing a large amount of proceeds from card transactions processed by Clover without explanation.

Clover told us:

- They had defended the €9,600 chargeback as far as possible, but at arbitration, the chargeback had been upheld, so W had lost.
- They did not send second letters about chargebacks as a matter of course, only if they were requesting further information. They hadn't needed further information regarding the €9,600 chargeback so had never sent a second letter.
- They had checked and responded to W's query regarding the missing funds. There were no funds missing, after deductions for chargebacks and fees.

One of our investigators looked into W's complaint and obtained further evidence from Clover, which satisfied her that no sums were missing. She shared this with W and concluded that Clover hadn't done anything wrong.

W disagreed and asked for an ombudsman's 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.

Having done so, I'm sorry to disappoint W's representatives but I haven't been persuaded that Clover has acted unfairly in this case, so I'm not going to direct them to take any further action.

I note that W originally mentioned two chargebacks, one of which was not in dispute. In the

course of our investigation, Clover informed W and our service that there had been four chargebacks in total. W has made some points about the latter two of these, but these were not part of the current complaint referred to our service, so I'm not going to comment on them here.

It's clear that W expected more communication at all stages of the chargeback dispute than it received. But I can't see anything in the terms and conditions governing W's contract with Clover that promised more detailed communication than has been provided.

The key requirement is, in my view, a prompt notification of a chargeback, giving the merchant an opportunity to provide evidence with which to defend against it. It's not disputed that this initial notification was provided in the case of the €9,600 chargeback. I can see that W provided several pieces of evidence in its defence.

I know W has sent me something (from an undisclosed source) that it says describes general chargeback processes in the UK. But even this does not show any firm requirements that Clover has breached in my opinion. I accept that it says merchants are "typically notified" of the outcome of stage one, but this is not the same as an obligation.

I also note that W has contrasted the €9,600 chargeback with another one for €2,060, for which the original notification was received at around the same time. In that case, W has provided evidence that it was also sent a second letter by Clover giving the outcome of the first stage. I've considered this carefully but I think the difference is, that in the case of the €2,060 chargeback, Clover was requesting further evidence. In the case of the €9,600 chargeback, Clover had concluded that they already had all the evidence that was likely to exist and that it was enough to defend W's case to the next stage.

I realise that W feels it has been unfairly deprived of the opportunity to submit a further defence, but it hasn't mentioned or shown me any more evidence that it could have provided. And I can see that Clover took the case to arbitration in any case, on the basis of the evidence they already had, so W wasn't deprived of any stages of the process.

My conclusion is that the ultimate outcome would have been the same whether W had been notified of the result of stage one or not. I think it was reasonable for Clover to make a judgement about whether they had all the evidence and I don't think W has lost out by not being given a second opportunity to provide input.

I note W's claim that Clover has admitted negligence on two chargebacks, but I'm afraid this is a simple misunderstanding. When Clover said that the chargebacks were "lost", they did not mean mislaid, they meant that the defence had ultimately not succeeded. I'm satisfied that Clover had fulfilled their part in the chargeback process.

Finally I know that W also feels that Clover's communication has generally been very poor. It claims that it had taken it over a year to obtain the reconciliation it sought of the amounts paid by Clover. I agree that this would be poor. But I've seen evidence that Clover replied to W's request providing funding reports from their system in November 2024, as well as providing other responses to the effect that nothing was missing. It seems likely that some communication has gone missing from both sides (I note W says it sent Clover bank statements but Clover says these were not received until our service forwarded them), but I'm not persuaded that Clover failed to respond.

My final decision

For the reasons set out above, I do not require First Data Europe Limited trading as Clover to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 4 March 2026.

Louise Bardell
Ombudsman