

## **The complaint**

Mr S has complained about how NewDay Ltd (NewDay) handled a refund claim he made.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

I've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that NewDay aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr S paid for this transaction using a NewDay credit card, both chargeback and a Consumer Credit Act 1974 (CCA) Section 75 (S75) claim could possibly help him. So in deciding what is fair and reasonable I've focused on this.

Mr S's complaint is regarding the purchase of a shed funded by his NewDay credit card in May 2024 to the sum of £1225.45. Mr S has said that the shed components delivered were missing, damaged or incorrect so he contacted the supplier who I shall call 'H' to try and address the issue. While H did engage with Mr S, he says they were unhelpful and as a result he later constructed the shed with the parts available. This meant the shed is now faulty and not fit for purpose.

I'll be focussing on the chargeback claim here as I'm aware that at the time of the final response letter (FRL) issued by NewDay on 24 March 2025 that a S75 claim had not yet been raised. NewDay asked for further evidence to support the claim for breach of contract or misrepresentation, such as the value of the faulty or missing parts now that the shed had been constructed. I won't be providing any findings on the S75 claim as NewDay hasn't yet considered it. So instead, I'll consider whether they administered the chargeback claim correctly.

## **Chargeback**

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Mastercard acted fairly.

The relevant chargeback code here would be 'Goods or Services Were Either Not as Described or Defective'. I've therefore considered the evidence available with regard to this chargeback rule and whether NewDay acted fairly when they declined Mr S's claim following the merchant's objection.

### *Did NewDay act reasonably in declining the chargeback claim?*

I've considered the card scheme rules carefully when assessing whether NewDay acted reasonably with regard to the available evidence. Mastercard rules say the cardholder needed to have:

- *"...contacted the merchant, or attempted to contact the merchant to resolve the issue.*
- *The merchant refused to adjust the price, repair, or replace the goods or other things of value, or issue a credit.*
- *For disputes involving goods: The cardholder returned the goods or informed the merchant the goods were available for pickup".*

I've reviewed the email chain between H and Mr S and so am satisfied that Mr S did contact H to attempt to resolve the situation – which was primarily for the appropriate components to be sent to him.

The main point of contention seems to be whether the merchant agreed to replace the components as required here. I've reviewed the email chain and am satisfied that H did agree to send the necessary components. The issue seems to have been Mr S's frustrations at H's request for further information and clarification on what was required.

Mr S said that he did send the required information when requested and so H wasn't helping. However, I can't say that there wasn't progress in the chain of emails between July and August 2024. While I appreciate the time elapsed would've been frustrating for Mr S, H's requests seemed to be for clarification of exactly what was needed.

I note Mr S has said he did provide this information multiple times but the email exchange concluded with a request of a confirmation of the parts needed which were listed by H. The first request for this was on 10 August 2024 and Mr S responded confirming this although there was further discourse regarding the floor and roof boards.

H then responded on 14 August 2024 asking for more information regarding the number of roof boards needed. Mr S confirmed this and stated he had clarified this before. H responded stating while five packs had been requested, the building only needed four packs and they hadn't seen any evidence from the prior photos sent that they had been faulty. They therefore asked for more evidence relating to this.

It looks like the conversation ended here as Mr S was clearly frustrated by the exchange. However, I can't say that H were not trying to help. They were entitled to attain sufficient evidence of the faulty items – which was the roof boards at the end of the exchange.

I appreciate Mr S was becoming increasingly frustrated by the delays and H's requests for further information as the email exchange proceeded. I'm not persuaded though that the evidence shows a clear refusal to repair or replace as required under Mastercard rules. I appreciate Mr S considers that the back and forth was such, that H didn't intend to help. However, I must consider the evidence available with mind to the chargeback rules and I can't agree that this amounted to the equivalent of a refusal to help by H.

As H then challenged the chargeback based on this, NewDay declined the chargeback claim as they felt there was no reasonable prospect of success if they'd progressed the claim. I don't think NewDay did anything wrong here as there's insufficient evidence that H wouldn't have sent the required components had their further queries been addressed.

I also understand that the shed has since been constructed. This means that it also wouldn't have been possible for Mr S to return the goods or have them ready for pickup by H, as would be required for the goods to be refunded under the card scheme rules.

With all of this in mind, I won't be asking NewDay to do anything more as I don't think there was a reasonable prospect of success if they'd progressed the chargeback claim further.

Lastly I note there have been some points raised by Mr S regarding requested callbacks that didn't occur after the chargeback claim was declined in December 2024. I understand NewDay said the calls could only occur on the contact number they had on file and then two calls were unsuccessfully attempted following this. NewDay says they then heard from Mr S in March 2025.

While I appreciate Mr S has said he never received these calls and wasn't satisfied they were made, I understand that NewDay did respond with their FRL on 24 March 2025 following his contact. So while it's not quite clear what happened regarding the phone calls made, the issue was clarified following Mr S's subsequent contact.

I've considered Mr S's concerns about the call backs. While I understand he's unhappy about this, it doesn't change my findings about the chargeback and I don't consider it warrants a separate award.

I must also clarify that Mr S is still entitled to pursue a S75 claim with NewDay for breach of contract or misrepresentation, as was clarified in NewDay's FRL. If he wishes to do so, he can discuss what further evidence is needed for them to progress that claim.

### **My final decision**

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 April 2026.

Viral Patel  
**Ombudsman**