

The complaint

Mr P complains that NewDay Ltd trading as Aqua didn't properly pursue a chargeback request.

What happened

Mr P was charged £261.11 by a major hotel group for a stay which he says he hadn't booked. He had stayed at another hotel in the same chain and had paid for that stay of six days using a different credit card. He contacted the hotel group and asked that the money be refunded. He says he was told he would receive a refund, but this was not made and so he contacted NewDay.

It raised a chargeback based on the information provided by him. The hotel defended the claim and said the charge was made for a non-refundable booking. NewDay did not consider the chargeback should be taken any further.

Mr P complained and NewDay rejected this and said the two separate payments made by Mr P to the hotel chain were made on different dates and for different amounts. This was in addition to the hotel chain explaining the charge had been made for a non-refundable booking. It said that it had made the chargeback using the evidence and information Mr P had supplied and there were no grounds for taking it further. It said it would credit a £12 charge for him being over his limit.

Mr P brought a complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. He noted this had been a transaction authorised by Mr P and the bank had sought to recover it by making a chargeback. This had been unsuccessful, but he didn't consider NewDay had done anything wrong in its handling of the matter.

Mr P asked that the complaint be considered by an ombudsman.

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.

When the evidence is incomplete, inconclusive or contradictory as some of it is here – I've reached my outcome on the balance of probabilities – that is, what I consider likely to have happened given the available evidence and the wider circumstances.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I also want to assure Mr P that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

I should make it clear that the role of the Financial Ombudsman Service is to resolve

individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

Having considered the evidence I do not consider I can uphold this complaint. I will explain why.

The route by which Mr P could obtain a refund was by raising a chargeback. This is a voluntary scheme run by the card scheme operator (here it's Mastercard) to process settlement disputes between the card issuer (such as NewDay) – on behalf of the cardholder (Mr P) – and the merchant (here it's the hotel chain). It is not a legal right that the cardholder has.

There's no obligation for a card issuer to raise a chargeback when a consumer asks for one. And chargeback is not a guaranteed method of getting a refund because chargebacks may be defended by merchants. It's important to note that chargebacks are decided based on the card scheme's rules and not the relative merits of the cardholder/merchant dispute.

Mastercard sets the chargeback rules and time limits for transactions made using the Mastercard card scheme. And it is Mastercard that decides whether a chargeback is successful – the card issuer simply makes a request on the cardholder's behalf. If the card issuer knows it is out of time, or is unlikely to succeed, I wouldn't necessarily expect it to raise a chargeback.

NewDay did as it was asked by Mr P and made the chargeback using the information and evidence he had provided. As such it did what I would expect it to do. However, the hotel chain defended its position and supplied supporting evidence. NewDay could have made a second presentment, but I am satisfied the hotel chain would have pushed back a second time. I note from an exchange Mr P has provided it rejected his request for a refund in July 2025.

Quite simply the decision was not in the hands of NewDay. All it could do was act on Mr P's behalf and make the chargeback. It cannot be held responsible the outcome. I appreciate Mr P will be disappointed with my decision, but I do not consider I can uphold his complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 March 2026.

Ivor Graham
Ombudsman