

The complaint

Mr L complains that Clydesdale Bank Plc (Clydesdale) has treated him unfairly in relation to its obligations with regard to a payment he made using his debit card.

What happened

In June 2025, Mr L paid £229.06 for items purchased from a seller (the seller) through a third-party platform, who I'll call E.

Shortly after the purchase date the seller dispatched the items to be delivered to Mr L. The courier service attempted delivery to Mr L unsuccessfully over two days. The parcel was then retained at a local depot and Mr L was given instructions on how to arrange re-delivery or had the option to collect the parcel from the depot. As he did not do so, in July 2025 the parcel was returned to the seller by the courier service and successfully delivered.

Mr L says he contacted the seller and E about a refund of the item but did not hear back. Mr L contacted Clydesdale to raise a dispute about this in late June 2025. Clydesdale reviewed matters and said it could not raise a chargeback dispute on Mr L's behalf as it does not hold chargeback rights for the situation as described by Mr L. Clydesdale said Mr L failed to arrange re-delivery and he should take this matter up with the merchant.

Mr L brought his complaint to our service. He said he was looking to be re-imbursed the amount of £229.06 which he had spent on the items as he had not received them. He also asked for £1,000 compensation from Clydesdale for failing to raise the chargeback on his behalf.

Our investigator looked into matters and didn't find that Clydesdale had treated Mr L unfairly. He said the merchant has attempted to deliver the items and therefore the dispute Mr L was raising did not fall into the criteria of the chargeback scheme.

Mr L asked for an ombudsman to consider his complaint. He said he did not think it was fair for him to be left out of pocket, and provided evidence that the seller had then re-sold the items again to another buyer on E's platform. So, the complaint has now been passed to me to decide.

I issued a provisional decision in which I said the following:

"Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

The card issuer relevant to this complaint is Mastercard. I have reviewed the Mastercard rules in relation to the situation Mr L is describing and find the most appropriate reason code to be "goods or services not provided". Clydesdale has said it has no chargeback rights for

the situation Mr L has described (where delivery was attempted) and so I have reviewed the rules carefully for this reason code to see whether this is accurate.

As far as I can see, in order for a dispute to be raised under this reason code, a cardholder needs to engage in a transaction, and the goods need not be received. Mastercard has provided a list of reasons why this chargeback might not apply when merchandise is not received, and I cannot see that any of these apply to a situation where a customer failed to take delivery of an item or collect it before it was returned to the sender.

In fact, in this case, the courier tracking number is available. And when entered into the courier website, it shows a delivery history which clearly evidences the parcel having been successfully returned to the seller. It is therefore clear that Mr L did not in fact receive the goods and I cannot see any reason why a chargeback under this reason code should not have been raised.

I accept that Mr L raised the dispute with Clydesdale before the date that the parcel was returned to the seller. However, I can see the dispute outcome was given to Mr L after the parcel had been returned to the seller and Clydesdale have noted this matter. In addition, I understand that Mr L has said E has now closed his account with them due to the request of too many refunds, however I cannot see that this has an impact on the prospects of success of this dispute. I say that because the evidence is clear in showing that Mr L did not receive the parcel and it was returned to the seller.

Having taken all these matters into account, and considering Mr L had said he'd contacted both E and the seller to request a refund without success, I find that Clydesdale should have raised a chargeback dispute on Mr L's behalf. If it had, I find the dispute had reasonable prospects of success. As it is now too late to raise the dispute, I am minded to ask Clydesdale to make a payment of £229.06 to Mr L to cover the cost of the goods.

I understand Mr L has asked for additional compensation of £1,000 to be paid to him by Clydesdale. I have reviewed the way in which Clydesdale handled the dispute and cannot find any errors in service that would prompt me to make any such award. I understand that Mr L finds that Clydesdale should have raised the dispute, but this service is in place to handle any disagreement over the outcome of a dispute and in asking Clydesdale to cover the cost of the goods I find this to have been remedied. I see no other reason to ask Clydesdale to pay compensation for distress and inconvenience to Mr L, so my remedy is limited to the amount of the disputed goods only."

Clydesdale responded to the provisional decision and disagreed with the outcome. It said:

- When making the claim, Mr L only provided a picture of the items purchased and a handwritten postal card.
- When reviewing the claim, Clydesdale could not see that the goods were not redelivered and this would have been under a different tracking number.
- Mr L failed to respond to an information request made by Clydesdale and over the telephone, Mr L said he had not received support from E but continued to fail to provide the information requested by Clydesdale despite his responsibility to do so.
- Clydesdale asked why Mr L received a refund of £55.66 from E on 3 June 2025 and Mr L failed to respond to this query so Clydesdale cannot be sure it is not in relation to the amount in dispute.
- Clydesdale does not feel it had enough information to believe it had a reasonable chance of a successful claim.

Mr L also responded to the provisional decision and said he accepted the outcome; however, he asked for the compensation aspect to be reconsidered. Mr L said he requires

£20,225 from Clydesdale for leaving him without his money for a year.

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 have reached the same outcome and for the same reasons. I will, however, respond to the concerns raised by both parties in their responses to the provisional decision.

During the course of this complaint, our investigator asked Clydesdale to provide us with all of the information/evidence Mr L supplied it with during the course of the dispute. Clydesdale showed us that Mr L had provided a receipt, screen shots of the items purchased, and the courier delivery slip.

Having reviewed the Mastercard rules for the relevant reason code, I can see that the conditions listed for raising a dispute are only that the cardholder contacted the issuer claiming that (1) the cardholder engaged in the transaction and (2) the purchased goods were not received. Evidence supplied need therefore (at least in the preliminary stages of the dispute) only contain evidence that shows the conditions have been met.

I find that the receipt or a bank statement would have shown that the cardholder engaged in the transaction. Mr L had made clear what he had purchased. And, the courier delivery slip showed that the goods were sent back to the seller after Mr L failed to take delivery of the items.

I can see that whilst the dispute was ongoing Clydesdale asked for further information which Mr L did not supply. A conversation was had with Mr L, and he expressed that he had attempted to contact E however he was refused support. Although I can see how the further information requested would have been helpful to Clydesdale, I don't find it to have been necessary as the evidence already supplied fulfilled the conditions of the relevant reason code for this dispute.

I can understand why Clydesdale was concerned about redelivery of the item. However, Mr L had clearly stated to Clydesdale that he was asking for support with a refund from E. The seller would likely have had to bear the cost of delivery for a second time if this was attempted and I see no reason why Clydesdale would assume that this would have occurred when Mr L had said he was asking for a refund.

I can also see Clydesdale was concerned that a refund issued to Mr L on 3 June 2025 might be connected to this purchase. However, Mr L had only purchased the items on 2 June 2025, and the first delivery attempt took place on 6 June 2025. Based on the timeline and on balance, I find it highly unlikely E would provide a refund for an item a customer had purchased the day before when Mr L had not said he had attempted to cancel the order prior to dispatch or provided another similar reason for raising the dispute. I therefore do not find it was likely the refund provided on 3 June 2025 was connected to the items Mr L was now raising a dispute for.

I appreciate that Mr L did not respond to all of Clydesdale's requests for information in a clear and coherent manner. I also acknowledge that to date Mr L has not demonstrated that he did make a refund request directly to the seller or E. However, despite that my outcome remains the same as outlined in the provisional decision.

I say this because I find that Clydesdale had enough information to raise the dispute on

Mr L's behalf. In failing to have done so, and as it is too late to do so now, we cannot know whether E would have provided a defence or not or what information would have been contained in that defence. But based on the information available to Clydesdale I find the dispute had reasonable prospects of success and should have been progressed.

I accept that some of the information that we now have (such as the seller then re-listing the items and selling them again) has been received with the benefit of time having passed following the dispute having been raised. However, this information does suggest that Mr L did pay for items which were successfully sent back to the seller who kept both the goods and the funds Mr L had paid towards them. This suggests that it was unlikely a credible defence could have been put forward by the merchant and the dispute would likely have been successful.

I therefore find there is enough information to say that in the absence of Clydesdale having raised the chargeback, it should now bear the cost of Mr L's loss.

Mr L has now asked for a much larger sum of money to compensate him for the time that he has been out of pocket. I have not been provided with any further information since my provisional decision which causes me to revise my opinion on this matter. I will therefore repeat that I have not found errors in the service provided by Clydesdale aside from its failure to raise a chargeback and I have outlined an appropriate remedy for this above. Mr L is mainly unhappy because he thinks Clydesdale should have refunded his money sooner. However, as Clydesdale have pointed out, in failing to respond to information requests and by not providing clear information, Mr L has contributed to the situation at hand. Having reviewed all the information provided, I find the fairest way to resolve the complaint is for Clydesdale to pay Mr L £229.06 which is the cost of the goods Mr L purchased and didn't receive.

My final decision

I uphold this complaint and direct Clydesdale Bank Ltd to pay Mr L £229.06 for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 March 2026.

Vanisha Patel
Ombudsman