

## **The complaint**

Mr K is unhappy Nationwide Building Society didn't raise a chargeback for a car he bought using his debit card.

Mr K has been represented at times by a relative. To keep things simple, I've only referred to Mr K throughout my decision, even when his relative acted on his behalf.

## **What happened**

Mr K bought a used car from a dealership ("the merchant") in June 2025. The car had a cash price of £8,500 and Mr K paid £7,300 using his Nationwide debit card.

Mr K says he drove around 250 miles back home before finding problems with the car. He says there was an oil leak and smoke coming from the engine. He took the car to a local garage and paid £120 for a diagnostic report, which he says found the car had several oil leaks with excessive oil mess, diesel residue in an injector, missing engine mounts and a leak in the DPF. Mr K says he was quoted around £2,000 to repair the car, which he couldn't afford to pay.

Mr K asked the merchant to either cover the cost of the repairs, or refund him and collect the car, as he was told it wasn't safe to drive it back. He says the merchant refused at first but then agreed to cover some of the work. However, in July 2025 he says the merchant stopped responding to his emails and calls. Mr K says he later found out the merchant had stopped trading at the premises and the owner was prosecuted by Trading Standards at the end of 2025.

Mr K contacted Nationwide and asked it to raise a chargeback for the £7,300 he paid on his debit card. He said the car was faulty and he had tried to reject it in line with his rights under the Consumer Rights Act 2015. Mr K says he had to make a lot of calls to Nationwide to chase a response to the claim, as he wasn't able to drive the car to work and so lost his job.

Nationwide responded to Mr K in August 2025 and said it wouldn't raise the chargeback because Mr K hadn't returned the goods to the merchant. It said this was a requirement for the chargeback to be raised, and so it couldn't help him with the dispute. But it recognised Mr K ought to have been told this sooner and paid him £75 to reflect the service he had received.

Mr K wasn't happy and so brought his complaint to our service. Our Investigator thought Nationwide hadn't acted unfairly when it didn't raise the chargeback. Mr K had argued the merchant stopped responding, but our Investigator thought there was evidence to show the merchant initially responded to Mr K. When Mr K said he wouldn't return the car and it had to be collected, the merchant stopped replying – but our Investigator didn't think this showed the merchant refused return of the goods. However, he agreed Nationwide ought to have supported Mr K with the dispute in a better way and thought the £75 it paid was a fair way to put things right.

Mr K didn't agree and asked for an Ombudsman to make a final decision on the complaint.

## 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 agree with the outcome reached by the Investigator for broadly the same reasons – and I'll explain why.

### Chargeback

For context, a chargeback is a mechanism by which the card issuer may be able to, in certain circumstances, recover funds on behalf of the cardholder from a merchant's bank. A chargeback follows the strict rules of the card scheme provider and there isn't an obligation on Nationwide to refund or assist in any way. I would consider it good practice for Nationwide to do so where there is a reasonable prospect of success, however, a chargeback isn't a guaranteed way to get a refund.

It's important to clarify that it's not for me to decide the outcome of any dispute between Mr K and the merchant. I can only look at whether Nationwide has acted fairly and reasonably in the circumstances of the complaint. To do this, I've considered the card scheme rules for the relevant code, including the expectations for both the merchant and customer.

Mr K's dispute is that the car supplied by the merchant was faulty and defective at the point of sale. So, the most appropriate chargeback code would likely have been "Not as Described or Defective Merchandise/Services". Nationwide told Mr K it was a requirement for the car to be returned under this code, but I don't agree this is the case.

Instead, the card scheme rules say the cardholder can show they attempted to return the goods in some circumstances – for example where the merchant refused the return, no longer exists or stopped responding to the cardholder.

Mr K told Nationwide the merchant had stopped responding to his messages in July 2025, and the following month he said he was aware the merchant was under investigation. So I think it's possible the merchant no longer existed or at least had stopped responding to Mr K's request to return the car, when Nationwide was considering the dispute. As such, I think it might have been reasonable for Nationwide to attempt a chargeback, as there was evidence to support Mr K had attempted to return the car.

But, even if Nationwide had raised the chargeback, I don't think there was enough evidence for the claim to have had a reasonable chance of success. The card scheme rules don't say exactly what evidence is required for the claim to be successful, other than to say Mr K needed to provide "*an explanation of what was not as described or defective or information regarding the quality-related issue*". So I think it would be reasonable for Nationwide to expect Mr K to provide evidence to show the faults found on the car meant it wasn't as described or was defective.

I can't say what would have happened if Nationwide had asked Mr K for more evidence about the faults with the car or raised the chargeback for him. It's possible the merchant would have defended the claim or provided evidence to show the car was sold without defects or matched the description. And as I've explained already, I'm not deciding the outcome of the claim, only whether Nationwide treated Mr K fairly.

So, I've thought about the evidence Mr K gave Nationwide when he raised his dispute. Mr K provided a quote for the repairs, but the garage's invoice doesn't explain the cause of the faults it found. It wouldn't be enough for the car to have faults – those faults would need to mean the car wasn't as described or was defective when supplied by the merchant. Also, I think it's likely Nationwide would want to consider the way the car was advertised, whether any faults were disclosed in the advert, and whether the price reflected the problems. Mr K said he wasn't able to provide the advert as it had been deleted by the merchant.

While I think it was likely Nationwide could have raised the chargeback, I'm mindful there was a lot of information missing from Mr K's claim. As a result, I'm not persuaded there was enough evidence for Nationwide to think the claim had a reasonable prospect of success. The card scheme rules can be quite narrow, meaning it sometimes isn't the appropriate forum to consider further evidence and resolve the dispute. So, based on the evidence presented to Nationwide at the time Mr K raised the dispute, I don't think raising the claim would have resulted in a more positive outcome for him.

I understand Mr K says the merchant has since been investigated by Trading Standards and may have been prosecuted. However, this was sometime after the 120-day time limit for the chargeback to be raised. So, even if Nationwide considered the new evidence relating to the conduct of the merchant, it wouldn't have been able to raise the chargeback at this point.

#### Customer support

Nationwide says Mr K called for updates 18 times, and it thinks it ought to have done more earlier to explain why it wasn't opening the chargeback. I agree Nationwide could have given Mr K a clearer update about his claim to reduce the time he spent calling the helpline. I've thought about the impact Mr K says this had on him, and I think the £75 Nationwide paid is broadly in line with the award I would have made for this inconvenience.

I'm very sorry to hear about the impact the faulty car has had on Mr K. I appreciate he spent a lot of money on the car, and he says he is now facing financial difficulties. I'd like to remind Nationwide of its obligation to support Mr K as a customer if he needs help or information about further support available to him.

I would also like to remind Mr K that our involvement, if Mr K chooses not to accept the outcome of this final decision, doesn't prevent him from pursuing other ways of resolving the matter with the merchant. So this decision doesn't take away any statutory rights Mr K may have.

#### **My final decision**

My final decision is that I do not uphold this complaint. Nationwide Building Society offered to pay Mr K £75, and I think it should do this to the extent it hasn't already paid this amount to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 May 2026.

Hannah Dunkley  
**Ombudsman**