

The complaint

Mr C complains about the way Nationwide Building Society ('NB') handled his claim for a refund.

What happened

The background to this complaint is well known by both parties so I've focused my decision on my findings which I've set out below.

In brief, Mr C returned a watch he'd purchased online via a retailer I'll refer to as 'T'. He says he wasn't refunded so asked NB for help in obtaining a refund. NB declined his claim but paid Mr T £75 for customer service failings. Our investigator didn't recommend upholding the complaint, so the matter has been passed to me to decide..

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.

Whilst I've read and considered everything Mr C and NB have provided, if I don't mention any specific point, it's not because I have failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. This is not meant as a discourtesy – rather it simply reflects my role in resolving disputes with minimum formality. I should also say here, that where information or evidence is incomplete or contradictory, I've based my decision on a balance of probabilities.

My understanding of what happened is that Mr C ordered a watch online from T costing just over £300 in February 2025. The watch was received. However, Mr C says when he returned it to T in March 2025, he wasn't refunded.

NB tried to obtain a refund on Mr C's behalf through the chargeback scheme. When a customer disputes a credit card transaction, the card issuer can pursue matters under the relevant chargeback scheme who in this case is run by Visa. In Mr C's case, the reason code (rule) used for this dispute was "*goods services have been cancelled/returned*". This is because Mr C said he'd returned the watch to T but he wasn't refunded. I should note here there's no automatic right to a refund with a chargeback. The card issuer (NB) will usually issue a temporary refund and ask the merchant (T) to provide evidence if they indicate that they intend to dispute the claim. And I can see this is what appears to have happened in this case.

T defended the claim on the grounds that the watch wasn't returned saying it had reviewed CCTV footage from its warehouse which showed the parcel Mr C said contained the watch was, in fact, empty when it arrived. Apart from his testimony, Mr C's only evidence of returning the watch in the parcel was tracking details which showed a parcel (box) had been returned. Given this, I think it's likely that if this matter had been escalated through to Visa's arbitration process, T would've continued to defend it. And as T said it was able to provide CCTV footage showing it only received an empty parcel and Mr C had no persuasive evidence to dispute this, I don't think his chargeback had a reasonable prospect of success.

NB also considered Mr C's dispute under section 75 of the Consumer Credit Act 1974 ('section 75'). Briefly summarised, section 75 says that where a consumer uses certain types of credit - and this includes a credit card - to purchase goods and/or services and there's a misrepresentation and/or breach of contract by the supplier (T), the consumer will have a 'like' claim against the provider of finance (NB) as they would against the supplier. There are other conditions, but it's not disputed they're met in the circumstances of this complaint. In essence, I'm looking at the claims handling. I'm not a court so whilst I've had regard to the law including the Consumer Rights Act 2015, I'm not making a finding on whether there has actually been a breach of contract. However, I do think NB needs to fairly and reasonably conclude whether to accept liability under section 75.

As noted above, T accepts it received the parcel but is clear there was nothing in the parcel. T said it had reviewed its CCTV at its warehouse, and this showed the parcel was empty when it was unpacked. I've taken into account that T, as a large retailer specialising in jewellery sold both through its stores and online, will have procedures in place for dealing with returned items such as the watch Mr C had ordered. So, I don't think it was unreasonable for NB to rely on what T said it had done as part of its process, which was that it had checked its CCTV footage and this showed the parcel was empty.

In any event, I can see NB did go further than just relying on the fact T had said it had reviewed its CCTV footage. NB asked Mr C for more information to support his case such as providing a receipt from the courier showing the weight of the parcel at the time he sent it. This may have shown evidence of the watch being intercepted and stolen during transit for example. However, Mr C wasn't able to provide any more evidence apart from the tracking details. This was because he chose the courier's option of dropping the parcel off at one of its 'drop off' boxes. As I understand it this method only provides tracking details whereas if Mr C had taken the parcel to one of the courier's physical sites, which was an option for him, he would've received a receipt. The receipt, amongst other things, would likely have recorded the weight of the parcel. And this weight could then have been checked by T for any discrepancies by the time it arrived at its warehouse. This would've supported Mr C's claim of the watch being in the parcel at the time he dropped it off at the couriers.

I appreciate Mr C used the returns label provided by T. And followed the options available to him via the courier using this returns label which is in line with T's terms. But ultimately, I don't think he has shown T, and by extension, NB was in breach of contract for not refunding him. I don't think, on balance, there's sufficient evidence to show the watch was returned. All in all, I can't say NB acted unfairly or unreasonably when it declined his claim.

NB recognised it asked Mr C for information on a number of occasions when it was clear that he didn't have it. I think this was very frustrating for Mr C and possibly the matter could've been resolved sooner if NB had recognised he'd provided all the evidence he was able to provide. That said, I don't think NB's customer service failing impacted on the outcome of the claim. And I think the £75 already paid to him by NB fairly compensates Mr C for these customer service issues.

For all the above reasons, I'm not asking NB to take any further steps to put things right, so I'm not upholding Mr C's complaint. I know this is not the outcome Mr C wants. However, he doesn't have to accept my findings and may pursue this matter through alternative means, such as court (taking appropriate advice), should he wish to do so.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or

reject my decision before 14 April 2026.

Yolande Mcleod
Ombudsman