

The complaint

Mr C is unhappy with how Lloyds Bank PLC (Lloyds) handled a refund claim he made.

What happened

As all parties are familiar with this complaint, I'll only summarise the key background where necessary within my findings below.

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 Lloyds aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their role as a provider of financial services. In doing so I note that because Mr C paid for this transaction using a Lloyds debit card, a chargeback claim could possibly help him. So in deciding what is fair and reasonable, I've focused on this.

As a summary, Mr C purchased a computer from an online marketplace I shall call 'F' in October 2025 using his Lloyds debit card for £1092.43. As he was later dissatisfied with the computer, he contacted the seller advising he wished to return the item. The return was refused and as F were unable to help further, he contacted Lloyds to raise a chargeback claim for the transaction.

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 VISA). I've considered the relevant chargeback rules in deciding whether Lloyds acted fairly.

The relevant chargeback code here would be 'Not as Described or Defective Merchandise/Services'. I've therefore considered the evidence available regarding this chargeback rule and whether Lloyds acted fairly when they declined Mr C's claim following the merchant's objection.

I've reviewed the seller's listing for this computer and while it does say returns wouldn't be accepted, this wouldn't prevent a return where the item was faulty. So there would need to be sufficient evidence here to show that the merchandise was defective.

I've also considered Mr C's correspondence with the seller following the purchase and it's clear that he was satisfied with the computer shortly after receipt. It was a few days later where he wrote back stating that he felt the computer was slower than another device he had received back from repair. He also said that he was suffering financial difficulties and would prefer to return the item back for a full refund.

However, I've not seen sufficient evidence that the computer itself was faulty and that he had received defective merchandise. F also disputed the chargeback claim as a return was initiated and never completed.

Lloyds considered that there wasn't a reasonable prospect of success if the claim was progressed further as the item had remained in Mr C's possession and was also subsequently sold to a third party. In my consideration of this complaint, I've therefore seen insufficient evidence to say that Lloyds administered Mr C's claim incorrectly. Given there wasn't sufficient evidence the computer was defective, and the item remained in Mr C's possession and was later sold, I don't think there was a reasonable prospect of the chargeback succeeding.

With all of this in mind, and I know this'll be disappointing for Mr C, I won't be asking Lloyds to do anything more. I also note that in Mr C's recent correspondence to this service, he referred to an additional payment of £158.37 that Lloyds is asking him to pay.

I won't be commenting here as this didn't comprise part of the complaint raised with this service. However, as I don't think there was a reasonable prospect of success if Lloyds had progressed this claim, and so I don't think they did anything wrong in declining it. I don't think it would be unfair for any fees or interest tied to this transaction to remain payable.

My final decision

For the reasons explained, 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 26 May 2026.

Viral Patel
Ombudsman