

The complaint

Mr L complains about the outcome of chargeback disputes he raised with Lendable Ltd trading as Zable, and how his disputes were handled.

What happened

In April 2025, Mr L spent a total of £718.87 over six different transactions using his Zable credit card. The transactions were made to a casino abroad and as Mr L explains it, he bought vouchers which he should have been able to scan at machines – but the vouchers did not work. Mr L bought six different vouchers at different times over the course of two days, and he says he was unable to use any of the vouchers he purchased.

Mr L says he complained about this at the casino and asked for a refund of what he had paid towards the vouchers. His request was declined. On his return home, Mr L established that the casino had used incorrect merchant category codes (MCC) to bypass the gambling block he had on his credit card and says he felt this was a strong basis for a successful chargeback dispute to be raised.

Mr L therefore asked Zable to raise chargeback disputes for the transactions on his behalf. Zable reviewed matters and eventually told Mr L it would not be raising the disputes. Zable said the card scheme does not provide chargeback rights in the type of situation Mr L is describing and there is no process that allows for funds to be returned solely on the basis of an incorrect MCC. Mr L complained but Zable didn't find it had treated him unfairly when reviewing his disputes.

Mr L then brought his complaint to our service. He said he had fixated somewhat on the MCC issue when he raised his concerns to Zable, but he had also told it that he hadn't received the services so a chargeback dispute could have been made on this basis. Mr L asked for a refund of the funds lost given Zable's failure to raise the disputes, an apology and compensation for Zable's failure to provide support.

Our investigator looked into matters and found that Zable hadn't treated Mr L unfairly. He said that the only way in which Zable could've assisted Mr L is through a chargeback dispute. Our investigator said the evidential burden for a claim raised on the basis of an incorrect MCC is high and it was therefore unlikely Mr L's disputes would have succeeded. Our investigator said the transactions came from outside the UK so were unlikely to be stopped by the gambling block in any event. Our investigator also said the goods and services not received code would not have been applicable here as Mr L has said he used the funds to gamble and didn't receive anything.

Mr L asked for an ombudsman to consider his complaint. He said the vouchers were never loaded and he was never able to play. Mr L therefore maintains that Zable had the information about the services not being provided within the relevant timeframe and failed to act on it and raise the disputes on his behalf. Mr L said he doesn't find it likely that the merchant could have defended disputes made on this basis as it would not be able to evidence that he did use the vouchers. So, the complaint was passed to me to decide.

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

“Chargeback

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.

I have reviewed the correspondence history between Mr L and Zable following the disputes having been raised. Having done so, it is clear that Mr L was adamant that his dispute be looked at on the basis that the incorrect MCC had been applied to the transactions by the merchant. So, I find it was reasonable for Zable to consider whether it could raise a successful chargeback dispute on this basis in the first instance.

Zable told Mr L that it could not raise the chargeback disputes because the card scheme (Mastercard) does not provide chargeback rights in this type of scenario. I don't find this to be necessarily correct. Zable would have been able to raise a dispute, but the card scheme has explained to us what types of evidence they require for a dispute like this to be successful. The evidential requirements are high, and I cannot see that Mr L has or could have provided the type of evidence required for a dispute like this to be successful. So, I don't find it unfair for Zable to have declined to raise the disputes based on the wrong MCC code because I find the prospects of success for a dispute like this to succeed were very low.

I can see that whilst the dispute was ongoing, Mr L did explain to Zable that he was unable to use the purchased vouchers. The Mastercard rules applicable to Mr L's transactions say the following about raising a chargeback dispute for gambling:

“For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant.

For the avoidance of doubt, chargeback rights are not available for

- 1. refunds, withdrawals or transfer requests,*
- 2. terms and conditions or account access,*
- 3. winnings, gains or losses, or*
- 4. use or subsequent use.”*

As Mr L had told Zable clearly that he had purchased the vouchers but not been able to use them, I think that Zable also should have considered whether it could raise disputes under the reason code “goods/services not received”.

I find that there is a potential that chargeback disputes could have been raised on this basis but even if Zable had done so, the disputes had little prospect of success if defended by the merchant. I say this because there is no evidence that the vouchers could not be used, and the repeated purchase of the vouchers at different times over the course of two days undermines Mr L's argument that he was unable to use the vouchers.

I would like to explain to Mr L that I've carefully reviewed his testimony. I understand the nature of his addiction, as he has explained it. I also accept the reasons why he continued to purchase vouchers even when he had no luck using the previous ones purchased. Having

said that, chargeback disputes carry an evidential burden which has not been fulfilled here. Even if this turned out to be a situation in which neither party could prove whether the vouchers were or weren't used, the evidence required to make a successful dispute is not present. And without any evidence to support its position, I would not expect Zable to pursue a dispute. It is not required to take a chance but rather should carefully balance the information/evidence it has to make a decision about whether the dispute has reasonable prospects of success. And I don't find that Zable had enough to pursue a successful dispute here.

Section 75

Mr L used a credit card to make his purchases. I can see no evidence that Zable went on to consider whether a successful claim could be made under Section 75 of the Consumer Credit Act 1974 (Section 75). But because I think Zable should have done this once it established a chargeback dispute was unlikely to be successful, I have gone on to consider what would have happened if Zable had taken this step.

Section 75 allows – in certain circumstances - for a creditor (Zable) to be jointly and severally liable for any claim by the debtor (Mr L) of breach of contract or misrepresentation made by a supplier of goods and/or services (the casino).

There is no suggestion made by Mr L that a misrepresentation has been made to him. I therefore find that we should consider whether there has been a breach of contract. There isn't enough information available to me at the point for me to determine whether there is a specific contract that is agreed between the customer and the casino when a person enters it to use its services. However, I find it reasonable to assume that a customer should receive the services for which they have paid, including being able to use the vouchers at the machines.

The issue however is the same as for the chargeback dispute in that there is no evidence to support the claim that Mr L was unable to use the vouchers, it is highly unlikely that he would be able to produce such evidence and the circumstantial evidence contradicts his claims. This means that I don't find there is enough evidence here for a successful breach of contract claim to be made.

I therefore find that even if Zable had considered whether a claim could be considered under Section 75, Mr L would have been in the same position and so he has not suffered any adverse effects from what Zable has done. So overall, I am minded to find that Zable has treated Mr L in a fair and reasonable manner.”

Zable accepted the provisional decision and Mr L did not respond by the deadline provided.

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.

In the absence of any new information or evidence to consider, I have reached the same outcome and for the same reasons as outlined in the provisional decision.

My final decision

I do not uphold Mr L's complaint against Lendable Ltd trading as Zable.

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

reject my decision before 19 May 2026.

Vanisha Patel
Ombudsman