

## **complaint**

Mrs M complains that Wirecard Card Solutions Limited (Wirecard) has acted unfairly towards her in a number of ways. She says it declined a claim for a chargeback she requested. She also says that there was an incorrect withdrawal of funds from her account in place of a deposit. And she is unhappy about Wirecard's decision to close her account. Mrs M is represented in her complaint by Mr M.

## **background**

Mrs M bought a mobile phone online in January 2017. She paid for this with her pre paid card provided by Wirecard. Mrs M returned this phone on the basis that it was faulty. She posted it back on 6 March 2017 using the seller's returns label.

Mrs M then made a chargeback request to Wirecard for the cost of the phone she'd returned as she'd not received a refund from the seller. Wirecard raised this request with the seller but was told that the seller had not received the returned item. So it would not issue a refund and the chargeback claim was declined.

Mrs M is unhappy about this and argues that the Consumer Rights Act 2015 states that the retailer is responsible for the courier it uses and is therefore responsible for the goods until they are delivered. The seller explained to Wirecard that the item was lost in the post and that the Royal Mail website records the package as having been "progressing through the network" for over a month. Wirecard has advised Mrs M to pursue a lost item claim with Royal Mail. Mrs M has said that she's been told by Royal Mail that they will only deal with the seller in this matter and won't discuss it directly with her.

Another part of Mrs M's complaint is that she requested a third party to send a payment of £60.00 to her Wirecard account but that a withdrawal had been made for this amount in error instead.

Mrs M is also unhappy that Wirecard has given her notice to close her account.

Our investigator has looked in to all of the circumstances of the case and decided that Wirecard hasn't acted unfairly or incorrectly towards Mrs M in making these decisions and hasn't asked it to do anything more.

Mrs M is unhappy about this outcome because she feels that it's not her fault the phone has been lost in the post and believes she is entitled to a refund. So she has asked an ombudsman to review the complaint.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've thought carefully about the complaints brought by Mrs M. As there are three different elements of this complaint I've addressed each one in turn.

### *chargeback claim*

Decisions about chargebacks are based on the card scheme rules. The scheme is voluntary but we would usually expect the bank to issue a chargeback if there is a good reason to do so. This might include a situation where the product is faulty. But under the rules of the scheme, if a product is 'not as described', then it needs to be returned by the customer in order for a chargeback to be agreed.

I can see from Wirecard's records that it did request a chargeback from the seller when Mrs M asked it to but that the seller has declined to issue a refund for the phone as it hasn't yet been returned. Wirecard has explained that it doesn't have any influence in these circumstances and has advised Mrs M to pursue this claim with the seller and Royal Mail.

I understand Mrs M's frustration here. I've seen evidence of her having posted the phone back using the seller's returns label so she should reasonably have expected this to have been delivered properly. And the fact that the package was then recorded as lost in the post is not the fault of Mrs M. So she's understandably annoyed about this. But the decision I've had to make is whether Wirecard has acted unreasonably in declining the chargeback.

And, according to the terms of the scheme, I can't say it has acted unreasonably in taking this decision. I'm satisfied that Wirecard requested the chargeback initially but the decision to decline this on the basis that the phone isn't yet returned isn't unreasonable. I can't say that Wirecard has acted incorrectly and the decision is in line with the chargeback procedures it must follow so I have no reason to ask it to do anything more.

Whilst I appreciate how frustrating this is for Mrs M I agree with the investigator that she might choose to pursue this with Royal Mail and I've seen that Mrs M has now done this. I understand that Royal Mail has now offered a sum of £100.00 to Mrs M by way of compensation. Mrs M isn't satisfied with this and wants the shortfall refunded. But this matter is not relevant to Wirecard's decision about the chargeback and doesn't affect my decision about this part of the complaint.

#### *£60 credit*

Mrs M stated that she instructed a third party to credit her Wirecard account but that this amount was incorrectly debited instead. I've looked at the account records and can see no record of a credit. The account shows a withdrawal of £60.00 to the third party in May 2017. I've not seen any details of Mrs M's instructions or any records from the third party about this transaction so it's difficult for me to say what's happened here.

In any event, the responsibility for the payment rests with the third party she gave the instruction to and not with Wirecard. So I agree that Wirecard doesn't have any control over this and Mrs M might choose to contact the third party directly to raise her complaint.

#### *closure of account*

I've looked at the terms and conditions of Mrs M's account and there's no evidence to show that Wirecard has breached its procedures in giving her notice of closure. I appreciate that Mrs M is unhappy about this. But it's a business decision and I agree with our investigator that we have no reason to ask Wirecard to reopen the account in these circumstances.

I understand that Mrs M feels she has been unfairly treated by Wirecard in relation to these issues and I sympathise with her frustration. But as I've not found that the business has done anything wrong in applying its terms and conditions I can't ask it to do anything further.

It's likely that Mrs M will be disappointed with my decision but I hope I've explained my reasons clearly.

**my final decision**

For the reasons I've explained I'm not going to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 8 January 2018.

Alison Lyon  
**ombudsman**