

## **complaint**

Ms C is unhappy that Marks & Spencer Financial Services Plc t/a M&S Bank has rejected her chargeback request. She wants M&S to refund her for a number of disputed transactions.

## **background**

Ms C set up a trading account with a third party. This third party supposedly claimed to be a 'broker' and to provide 'trading' of regulated financial products. The third party was meant to provide Ms C with a self-directed investment account for regulated financial products.

Ms C made a series of transactions to the account. She decided to request for her money to be sent back. She was asked by the third party to deposit an extra £5,000 (5 deposits of £1,000 each). Despite doing this, her money was still not returned to her.

Ms C made a chargeback request through M&S. Ms C claims the third party isn't a broker, brokerage firm or any type of investment/financial services firm. She says the third party wasn't authorised by the FCA and couldn't provide the services they'd advertised.

M&S rejected the claim. They said Ms C was trading binary options and that this was a form of gambling. They said she had no chargeback rights under the Mastercard rules.

An investigator has already looked at this case. Overall he felt M&S had acted fairly and that they hadn't been unreasonable by rejecting the chargeback claim.

As Ms C remains dissatisfied, this case has now been referred to me to look at. I've carefully looked at the further submissions Ms C has made to our service. I note she's very unhappy that M&S didn't initiate the chargeback on the grounds that she was supposedly trading in binary options.

## **my findings**

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 looked at all the evidence, this decision will focus on what I think are the key issues in dispute.

Under the Mastercard rules, M&S has confirmed that Ms C wouldn't be entitled to a chargeback request for payments which were sent from a credit card to a trading account for investment or forex. Ms C made the payments for trading. I therefore don't think M&S has acted incorrectly by rejecting Ms C's chargeback. Banks aren't obligated to raise a chargeback request if they think it's unlikely to be successful.

Just like the investigator, whilst M&S was wrong to say Ms C was engaged in binary options trading, this makes no difference to the outcome of the complaint.

I appreciate Ms C will be disappointed with my decision. But overall I think M&S has acted fairly. And I can't say they've been unreasonable by rejecting Ms C's chargeback claim. M&S wasn't required to raise a chargeback request for payments from Ms C's credit card to a trading account for investment purposes.

**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 Ms C to accept or reject my decision before 22 June 2020.

Robyn McNamee  
**ombudsman**