

complaint

Mrs L complains that Vanquis Bank Limited (“Vanquis”) were wrong to reject her chargeback request.

background

Mrs L bought two dresses, using a credit card issued by Vanquis in October 2018. She says she intended to keep one and return the other. Unfortunately, both were unsuitable and she was unable to get a refund from the shop as they’d gone into liquidation. She therefore asked Vanquis to refund her but Vanquis were only prepared to refund one of the transactions.

Vanquis listened to the call Mrs L made to them and noted that she’d only asked for one dress to be refunded. She’d explained that she’d keep the other. They said they therefore correctly processed a chargeback with the merchant. But they went on to explain that, as one part of the transaction had already been successfully disputed, they would not now be able to dispute the other part.

But Mrs L was disappointed with their decision and she therefore referred her complaint to this service. Our adjudicator didn’t think Vanquis had done anything wrong. She listened to the call too and noted that Mrs L had regularly explained that she wanted to return one dress and keep the other. She didn’t think Vanquis had initially been made aware of Mrs L’s subsequent desire to return both items and she therefore thought the chargeback had been correctly raised and Vanquis were right to explain they couldn’t raise a second chargeback for the other amount of the same transaction.

But Mrs L was still dissatisfied so she asked for a final decision by an ombudsman.

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 know it will disappoint Mrs L but I’m afraid I think Vanquis were right to reject her second chargeback request. Please let me explain.

Where the information I’ve got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

When something goes wrong and the payment was made, in part or whole, with a credit card, it might be possible to recover the money paid through a chargeback.

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules, which in this case are operated by Visa.

What this means here is that Vanquis can in some circumstances ask for a transaction to be reversed if there's a problem with the goods or services supplied by the merchant. But there first has to be a right to apply for a chargeback under the card scheme rules. And Vanquis has explained that the Visa rules don't allow them to process a second chargeback for the same transaction.

I've listened to the call and it's clear Mrs L told Vanquis that she intended to keep one of the dresses. So I think they processed the chargeback and disputed the transaction correctly. And, having disputed the transaction, they've explained it wouldn't be possible for them to dispute it again and I don't think that would be reasonable either. So in those circumstances I don't think Vanquis need to take any further action.

my final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 11 May 2019.

Phil McMahon
ombudsman