complaint

Miss S complains that Nationwide Building Society mistakenly rejected her chargeback request. Miss S wants Nationwide to refund the money she paid to a third party.

background

Miss S used an online website to sell an item. Miss S listed the item at the wrong price. She cancelled the sale and the website debited a fee from her Nationwide account. Miss S says the website shouldn't have done this for various reasons.

Miss S asked Nationwide to raise a chargeback request. Nationwide wouldn't agree as the reasons didn't fall within the any of the Visa chargeback categories.

Our adjudicator didn't recommend that Miss S's complaint should be upheld. She said that Miss S originally agreed to the website's terms by putting the item up for sale. Our adjudicator understood that Miss S made a mistake when listing the item. And that Miss S considered the agreement to be void or unenforceable. But our adjudicator said these reasons didn't give rise to grounds for a chargeback.

Miss S disagrees with our adjudicator. She says she didn't agree to the website processing the payment for a number of reasons. For example, the agreement to sell the item was void for mistake. Or that the cancellation charge is unenforceable. Miss S says Nationwide could've relied on the various reasons as the basis for saying the website didn't have her authority to debit the fee using her Visa card.

my findings

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

Chargeback can be used by a card issuer to claim money back from the merchant's bank when a customer disputes a transaction. Banks aren't obliged to attempt a chargeback when a customer requests it. But we take the view that it's good practice to do so where there is a reasonable prospect of success.

Visa has a set of reason codes for chargeback cases. I've reviewed the codes and can't see any that would allow Nationwide to raise a successful chargeback on Miss S's behalf.

I don't want to appear dismissive of the points that Miss S has made to this service. Miss S is unhappy with S's behaviour and contract terms. She has also helpfully given us a copy of Trading Standards' analysis of her case. But Nationwide can't reasonably be expected to declare her agreement with the website void or unenforceable through unfairness, mistake or consumer protection legislation. Miss S would have to pursue this kind of argument through court, not via a chargeback.

I am sorry to disappoint Miss S but overall, I don't find that Nationwide made a mistake when it wouldn't raise a chargeback request or refund the payment.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss S to accept or reject my decision before 8 February 2016.

Gemma Bowen
ombudsman