

complaint

Mrs B and Ms B are unhappy NewDay Ltd weren't able to help with a dispute over a damaged hire car.

background

Mrs B had a joint account with her daughter Ms B. The problems related to a vehicle hired in May 2017. When it was returned 12 days later some damage was noted. But they didn't agree with the amount charged for the repairs. They'd like the actual costs applied instead of the higher costs they've been charged.

NewDay said they'd missed the deadline for making a chargeback. But Mrs B said they were unable to get back to NewDay within the specified timeframe due to a family emergency.

NewDay said it had tried to raise a chargeback for the amount Mrs B and Ms B had been charged. It sent Mrs B the documents on 22 August 2017 to review and return within a week. It extended the timescale when Mrs B said they were having difficulties in returning the papers. But it still hadn't heard from them by 20 September and the claim became out of time. It confirmed this to Mrs B a few days later.

Mrs B and Ms B weren't satisfied with NewDay's response. So they contacted our service and our investigator looked into the matter. He explained chargebacks are normally used when goods don't arrive, or are faulty or different from the description. But NewDay had agreed to raise a chargeback for the amounts Mrs B and Ms B had disputed.

However the chargeback rules are strict and time limits are set by MasterCard. Because of the family emergency the 120 day time limit had expired. He couldn't say NewDay had done anything wrong. It hadn't set the limit.

After looking at the information, he thought the chargeback would probably have failed. Mrs B and Ms B were disputing the amount charged – not that damage had occurred. And that wouldn't normally be successful. He said it wasn't NewDay's role to investigate the actual damage. That should be taken up with the hire company.

Mrs B and Ms B didn't agree. So they've asked for an ombudsman's final decision.

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 can understand Mrs B and Ms B's frustration. They weren't disputing damage had occurred. But they thought they'd been charged too much. So they asked NewDay to raise a chargeback on their behalf.

As our investigator has explained, the rules for chargeback are set by the card scheme – in this case MasterCard. It's important to note that chargebacks are decided on the card scheme's rule, not the relative merits of a cardholder/merchant dispute. So it's not for NewDay – or me – to decide who has the stronger argument. And there is a strict time limit during which chargebacks can be raised.

I realise there was a family emergency which meant Mrs B and Ms B weren't able to return the paperwork in time. And I'm sorry the situation has been so distressing for them. But the rules for chargeback are quite strict and I can't really blame NewDay if Mrs B and Ms B weren't able to return the forms in time. That wouldn't be fair.

I can see the charges were pre-authorised in order to complete the car hire. And our investigator has discussed other options that Mrs B and Ms B might pursue. I hope they are able to resolve the matter successfully.

I know this isn't the outcome Mrs B and Ms B hoped for. But, based on everything I've seen, I can't really say NewDay has done anything wrong.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Ms B to accept or reject my decision before 16 April 2018.

Andrew Mason
ombudsman