

## **complaint**

Ms A and Mr P complain that TSB Bank plc didn't accept a chargeback claim in relation to two payments of £2000 made to a third party. In addition, Ms A is unhappy that she made a payment to her credit card in May 2018 which wasn't credited until July 2018.

## **background**

Mr P is an additional card holder on Ms A's TSB credit card account. In December 2017 Mr P made two payments of £2000 to a third party but the money never reached the intended account.

Mr P contacted the third party and was advised that it used a payment processing company who had blocked the payment and retained the funds. Mr P says he paid the third party again using other means.

Mr P contacted TSB and asked for the transactions to be reversed. TSB asked Mr P to send supporting evidence. It subsequently declined the chargeback claim on the basis that the information provided was in Mr P's name and not Ms A's name. TSB has acknowledged that this was incorrect as Mr P is an additional cardholder on Ms A's account.

TSB asked Mr P to provide further documentation to support the claim, in particular evidence that he had paid the third party by other means.

Mr P provided letters from the third party confirming that funds had not been received from the payment processing company. TSB wasn't satisfied with the evidence provided by Mr P and said it wasn't enough to make a successful chargeback claim.

Mr P complained. He wants £4000 refunded and compensation for the time it's taken to resolve the matter.

When Mr P made his complaint to TSB, Ms A also complained that she had made a payment of £2,667 to her TSB credit card account in May 2018 which wasn't credited to her account until July 2018. She requested a refund of interest charged to her account in the interim.

Our investigator didn't uphold the complaint relating to the chargeback claim. He said TSB had followed its processes for a chargeback and that because it didn't have enough evidence to make a successful claim its decision not to pursue the claim was reasonable.

In relation to the payment to Ms A's account the investigator upheld the complaint and said TSB should refund interest of £329.90.

Ms A said she would accept £329.90 in settlement of her complaint about late applied payment. But Mr P remained unhappy about the chargeback and still wants to recover the £4000.

## **my findings**

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

Because Ms A has accepted £329.90 in settlement of the late applied payment I won't be commenting on this aspect of the complaint. Instead I'll focus my decision on the chargeback.

Chargeback is a transaction reversal made to dispute a card transaction and secure a refund. It works by the bank withdrawing funds that were previously deposited into the recipient's bank account and putting them back in the consumers account. The recipient of funds may dispute a chargeback if it can prove that the chargeback is invalid.

The main requirement for getting money back via chargeback is evidence that there's been a breach of contract. A bank doesn't have to raise a chargeback unless it thinks there is a good chance it will be able to claim the money back.

In this case, I can see that TSB asked Mr P to provide evidence to support the chargeback. Mr P provided some information about the payment for renovation works. It subsequently came to light that this wasn't the real reason for the payments.

TSB decided that it didn't have enough evidence for a successful chargeback claim. Based on what I've seen, I'm satisfied that TSB followed its process for chargeback. I think the decision not to proceed with a chargeback claim was reasonable in the circumstances.

I appreciate that Mr P feels that it was unnecessary for TSB to also look at whether a section 75 claim could be made. But I think the bank acted reasonably in exploring all of the possible options. As it turned out, Mr P couldn't bring a section 75 claim because the debtor-creditor-supplier relationship wasn't established.

I understand that Mr P is unhappy that he hasn't been able to recover his money. But taking everything into account, I don't think TSB has acted unfairly or made an error and I won't be asking it to do anything further.

### **my final decision**

My final decision is that I partially uphold the complaint in relation to the chargeback claim. If it hasn't already done so, TSB Bank plc should refund Ms A interest of £329.90.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 3 February 2020

Emma Davy  
**ombudsman**