

## **Complaint**

Mr C and Miss C complain that Nationwide Building Society has refused to refund a payment they made from their account.

## **Background**

Mr C and Miss C arranged for a new boiler to be fitted at a property they rent out. After the work was completed, Mr C made a payment over the phone to someone he thought was the fitting company. But the account statements later showed the payment had gone to a plumbing supplies company.

As they didn't receive a gas safety certificate and started to have problems with the boiler, Mr C and Miss C tried to contact the fitting company. But they were unable to get in touch with them. And when they contacted the supplies company, they were told they only supply goods, so couldn't help with any issues with the installation.

Mr C and Miss C have said that, as the payment wasn't made to who they thought and was taken by a company they have no contract with, it should be treated as fraudulent. They've also said the work was done so poorly that the boiler had to be entirely replaced.

Nationwide said Mr C and Miss C willingly made the payment for goods and services they had received, so didn't treat it as fraud or a scam. It also looked into whether a chargeback could be carried out on the payment, but said it wouldn't do this as the work had been completed. It did offer £50 compensation for the time taken to respond to their complaint. Mr C and Miss C weren't satisfied with Nationwide's response, so they referred their complaint to our service.

Our investigator looked at the complaint but didn't think Mr C and Miss C had been the victims of fraud and felt Nationwide had acted reasonably in not carrying out a chargeback. Mr C and Miss C disagreed, so the complaint has been passed to me.

## **My findings**

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

Having done so, I think Nationwide has acted reasonably so I won't be asking it to do anything further. I'll explain why below.

I understand and accept that Mr C didn't know he was making the phone payment to the supplies company and that Mr C and Miss C didn't have any contractual relationship with the supplies company. But I don't think this means the payment was fraudulent or part of a scam.

Typically, a fraud or scam in these circumstances would involve payment being taken but then no goods or services being received. Or the payment being diverted to an unconnected third party, leaving the invoice unpaid.

Mr C and Miss C have largely received the goods and services listed on the invoice I've seen. The supplies company told Mr C and Miss C there was an arrangement between them and the fitting company to take the payment. And there's no suggestion that the fitting

company has been chasing Mr C and Miss C for non-payment of the invoice. So I think Nationwide has acted reasonably in not treating this as a fraud or scam.

Banks can also help settle some disputes between customers and merchants by submitting a chargeback on a transaction. Chargeback is a way for customers to dispute certain card payments and is run by the card scheme – VISA in this case. A chargeback can only be done for certain specific reasons, such as the goods not being as described or being faulty, and within certain timescales. And there's no obligation on a bank to carry out a chargeback, although we generally take the view that it's good practice for a bank to do so where there's a reasonable prospect of success.

When Mr C first spoke to Nationwide about the payment he said he was having trouble getting a gas safety certificate and that, as the supplies company he'd paid wasn't gas safe registered, it couldn't provide the goods and services he had paid for.

But the invoice Mr C sent to Nationwide doesn't mention a gas safety certificate or when it will be provided. So I don't think there were grounds here to say the goods weren't as described.

While it may be a legal requirement for Mr C and Miss C, as landlords, to have a gas safety certificate, I don't think the failure to provide a certificate means the boiler itself or the installation were necessarily faulty. And, as I mentioned above, it appears there was some arrangement between the fitting company and the supplies company about the payment. So I don't think the payment going to the supplies company means that they, rather than the fitting company, actually fitted the boiler or therefore that the work was carried out by someone who wasn't gas safe registered. And so I don't think this means the work or goods were faulty either.

And even if the failure to provide the certificate did mean the boiler or installation were faulty, I don't think there were reasonable prospects of a chargeback succeeding for the entire payment as a result, as Mr C and Miss C would then have received the boiler for free. And, as the certificate isn't mentioned on the invoice, it's not possible to say how much of the payment should be disputed.

So, based on the information it was given at the time, I think Nationwide acted reasonably in deciding there weren't grounds for a successful chargeback. And so I don't think it's treated Mr C and Miss C unfairly by not carrying one out.

Mr C and Miss C later said the boiler was poorly installed and had to be entirely replaced. But the time limit for a chargeback for the goods being faulty was 120 days from the date of the payment. And I can't see that Nationwide was told about the poor installation or the need to replace the boiler until after this time limit had passed.

Mr C and Miss C have said delays by Nationwide meant they lost the chance to raise all the relevant issues within the time limit. But, while Nationwide didn't respond as quickly as it could have done, Mr C and Miss C did raise the issue of the gas safety certificate when they first spoke. So I don't think Nationwide's slow response stopped them raising further issues at the same time. And, as they were already towards the end of the time limit when they first spoke to Nationwide, I don't think these delays prevented Mr C and Miss C from successfully raising a chargeback.

Nationwide has offered Mr C and Miss C £50 as compensation for the delays in responding to them. And I think this offer is fair and reasonable.

I sympathise with the position Mr C and Miss C have found themselves in. And my decision shouldn't be taken as saying I think they have been treated fairly by the fitting company or the plumbing supplies company, or that I don't think they have legitimate complaints about the goods and services they received from those companies. But I can only look at whether Nationwide has acted reasonably in dealing with their complaint. And, for the reasons given above, I think it has.

### **My final decision**

Nationwide Building Society has already made an offer to pay Mr C and Miss C £50 and I think this offer is fair in all the circumstances.

So my decision is that Nationwide Building Society must pay Mr C and Miss C £50 if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask [insert anonymised name here] to accept or reject my decision before 20 December 2020.

Alan Millward  
**ombudsman**