

The complaint

Mr D has complained about the way National Westminster Bank Plc (NatWest) dealt with his request for money back.

What happened

Mr D tells us he purchased an airline ticket in February 2023 using rewards he'd earned, and he paid around £105 for landing charges using the linked account. This account was with a financial service provider I'll call 'V'. When he arrived at the airport, he tells us the airline refused to issue boarding passes, so he had to buy a new ticket for around £680 using his NatWest debit card.

Mr D complained to the airline saying he'd been a member of the rewards programme for around 15 years, and he requested a refund. He also requested the rewards were reccredited to his account. Mr D contacted NatWest to ask for his money back because he says the airline committed fraud and theft. NatWest declined the claim because it couldn't see there was any sort of breach of contract. Mr D was able to use the airline ticket he paid for using his NatWest debit card. It also couldn't see the specific airline ticket Mr D used had been paid by other means because there were two separate bookings. It suggested Mr D speak to V. Mr D said he'd closed his account with V, but NatWest said he could still raise the claim with it.

Mr D complained and referred his complaint to our service. He contacted us to say there'd been a fraudulent transaction on his debit card. He'd been going back and forth with NatWest for three weeks and he was unhappy he'd been charged twice for the same flight and had to speak to so many people. He said NatWest could have put a stop on things and disputed the transaction with the airline. One of our investigators looked into things but didn't uphold the complaint. She said there was no valid chargeback reason code NatWest could have used because Mr D received the service he paid for.

Mr D didn't agree so the complaint has been passed to me to decide.

What I've decided – and why

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

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to resolve complaints quickly and with minimum formality. I want to assure Mr D and NatWest that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

For the avoidance of doubt, this decision is only focussing on the complaint that Mr D referred to our service. I've listened to the call he had with one of our agents when setting up the complaint. I'm therefore considering whether NatWest has acted fairly and reasonably in the way it handled Mr D's request for getting his money back. In situations like this, NatWest can consider raising a chargeback.

The chargeback process provides a way for a card issuer to ask for a payment to be refunded in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme. It's not a guaranteed way of getting money back.

While it's good practice for a card issuer to attempt to chargeback where certain conditions are met and there's some prospect of success, there are grounds or dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed.

I'm sorry to hear Mr D had to pay for the flight a second time when he was unable to obtain boarding passes using the original booking made using his account with V. He's said he needed to get back to UK urgently and he felt like he was held to ransom by the airline. I can't imagine how that must have made him feel.

However, I need to point out that something going wrong with a merchant won't always lead to a successful claim.

Cardholders can raise chargeback disputes for various reasons such as goods or services not as described or defective; goods or services not provided; credits not being processed, amongst other reasons. But in this case, it's not in dispute Mr D received the service he paid for. I therefore don't think raising a dispute for any of those sorts of conditions would have had any prospect of success.

There are fraud related chargeback disputes that can be raised as well, such as for there being no cardholder authorisation; when merchants are on certain card scheme databases; or for when counterfeit/stolen cards are used. It's not in dispute Mr D authorised the transaction, albeit he said he had no other choice. I've not seen anything to suggest any of the fraud related dispute reasons would have been valid. I don't think raising a dispute for any of these reasons would have had any prospect of success either.

Finally, there are things that can be done when the transaction has been paid by other means. But Mr D made two separate bookings, albeit one of them he said was made because he had no other choice. I don't think there'd have been grounds to dispute the transaction as having been paid by other means. It was ultimately a new booking Mr D made. I've not seen any other conditions that may have helped Mr D.

Therefore, while I sympathise with the situation, I don't think NatWest was wrong to direct Mr D back to V. He paid for something using his account with V that he was unable to use. I appreciate Mr D had a few weeks of back and forth with NatWest and that he had to repeat himself and talk to many different agents. I imagine this was frustrating for him. But based on what I've said above, I don't find there are grounds to say that NatWest has acted unfairly by not pursuing the claim. It's limited to what it can do in these situations, and it has to follow the rules set by the relevant card scheme. While I know Mr D will be disappointed, I make no directions.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 3 January 2024.

Simon Wingfield
Ombudsman