

The complaint

Mr B complains that Nationwide Building Society has not met its obligations in regard to a transaction made on his debit card to purchase glasses from an optician.

What happened

In September 2022 Mr B used his Nationwide Building Society (NBS for short) debit card to purchase some glasses. He said they were faulty, and he returned them some time later. He said he wanted his money back (over £211), but the opticians wouldn't refund him. So Mr B complained to NBS.

NBS looked into the matter and decided it hadn't done anything wrong with regard to its approach to chargeback, so it didn't refund him the cost of the glasses. Mr B wanted a full refund, so he brought his complaint here.

Our Investigator considered the matter and felt that NBS hadn't treated Mr B unfairly. But Mr B didn't agree so this decision comes 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.

the transaction

Mr B doesn't contest that he made the transactions for the glasses or suggest that they were applied incorrectly to his account. Accordingly I'm satisfied NBS didn't do anything wrong in processing the transaction or applying it to his account.

could NBS challenge the transaction through a chargeback?

In certain circumstances, when a cardholder has a dispute about a transaction, as Mr B does here, NBS can attempt to go through the chargeback process. Chargeback isn't a right, but this service does consider it good practice to raise a chargeback, if within the time limits and that there is a reasonable prospect of success. I don't think NBS could've challenged the payments on the basis Mr B didn't properly authorise the transactions, given what I've already set out.

NBS raised the chargeback with the opticians and gave Mr B a temporary credit for the amount he paid for the glasses. The opticians responded saying Mr B took possession of the glasses without checking they fitted and suited his needs. And that Mr B had tried to return them outside its terms and conditions and hadn't tried to resolve the matter with the opticians. It also noted that not long after Mr B bought the glasses the opticians was sold. So when Mr B returned the glasses he'd actually given them to a different business albeit at the same address.

NBS considered this defence and made further representations which were also defended by the opticians. In the end NBS decided that the chargeback no longer had a reasonable prospect of success. So it then re-debited Mr B's account the amount of the temporary credit.

I've considered the defence of the opticians to the chargeback. And I think NBS has treated Mr B fairly by not taking the chargeback further. I say this because it is clear that NBS was told that Mr B hadn't tried to resolve the matter at the time and hadn't had the glasses fitted, contrary to the service provided by the opticians. So I don't think NBS had sufficient reason to continue with the chargeback.

I appreciate that NBS didn't use the appropriate chargeback reason here. But I don't think this makes a difference because the opticians provided a full defence to all the issues concerned here. So I don't think Mr B lost out because of this issue because the merchant provided a full commentary on what happened despite getting the wrong chargeback reason. So NBS made an informed decision at that point not to continue with the chargeback.

Mr B disputes the opticians' description of what happened. And I appreciate he feels strongly about this. However the chargeback scheme is a process which enables firms to represent their card holders in disputes with merchants. But it isn't designed to be a process like a court where evidence is tested. Chargebacks are a straightforward process which enables both sides to have their say in disputes. And I can see NBS did represent Mr B throughout until it decided the dispute no longer had a reasonable prospect of success.

I appreciate Mr B has said he's lost out on the glasses and the cost of them. Unfortunately he gave the glasses to a different business. So if he wants them back he should go talk to the new business. And I'm not persuaded NBS should refund Mr B.

All in all, having considered all of Mr B's arguments I'm not persuaded he has lost out because of how NBS treated his dispute with the opticians. And having considered everything here I'm satisfied NBS hasn't treated Mr B unfairly. So Mr B's complaint about NBS is successful.

I do appreciate that this isn't the decision Mr B wishes to read. And I'm sorry he finds himself in this position. But this isn't NBS's fault. And considering the obligations NBS has, I'm satisfied it hasn't treated him unfairly in not refunding him what he paid towards the glasses.

My final decision

I do not uphold this complaint against Nationwide Building Society. It has nothing further to do in relation to this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 December 2023.

Rod Glyn-Thomas
Ombudsman