

## The complaint

Mr C complains that Tide Platform Ltd mishandled a number of chargeback claims he had raised with it.

## What happened

In or around February 2022 Mr C made a number of purchases for goods via an online retailer. He bought the goods using his credit card held with Tide.

Mr C complained to the retailer that some of the ordered goods were not received by him and that one item that he had received and then returned, hadn't been refunded. The retailer responded that they were satisfied the items had all been delivered correctly and didn't accept an item had been returned. They didn't provide Mr C with any refunds.

Mr C raised a number of chargeback requests with Tide. These chargebacks were for the following amounts involving the same online retailer:

£51.14  
£80.00  
£249.99  
£72  
£52.19  
£234 (which was made up of two items costing £145 and £89).

Mr C also made two further chargeback claims involving a different company for £42.33 and £46.32.

Tide raised chargebacks for £51.14, £80, £249.99, £42.33 and £46.32. The claim for £51.14 was successful but the remaining matters were all disputed by the retailers. An agent of Tide's informed Mr C there was no further action that could be taken, and his chargeback claims had been declined.

Mr C complained to Tide about its handling of his chargeback claims. Tide said that although the claims had been raised correctly and rejected there had been some mishandling on its part as he had been told no further action could be taken. Tide said Mr C's account was now being handled by a more senior agent. It offered Mr C £50 compensation for the distress caused and said his claims were ongoing.

Tide then raised chargeback claims with the retailer for the amounts of £72, £52.19 and £234.

Tide decided on reviewing Mr C's account that there were some issues regarding the billing name and address for some of the items and the information it held. In light of the delay in pursuing the claims further Tide decided to cover the claims for the following amounts: £42.33, £46.32, £80, £249.99. It informed Mr C these claims had been successful and that it would reimburse him in one sum once the three remaining chargebacks had been considered by the retailer.

The three outstanding chargebacks were declined by the retailer and Tide decided not to challenge those decisions. Mr C's chargeback claims were declined. He didn't complain directly to Tide about these three amounts being declined.

Mr C was unhappy at Tide's decision and complained to this service. Our investigator said that he didn't think Tide had acted unfairly. He explained the chargeback process and that the banks do not have to raise a chargeback when requested by their customers if they believe this would be unsuccessful. All the chargeback claims made by Mr C had been defended by the merchants. He said there was an option for the banks that if the claims were defended to ask the card scheme to decide the claim, but banks may be reluctant to do this as they get charged if the claim is rejected meaning the evidence would need to be strongly in support.

Our investigator said he thought Tide's offer to pay Mr C £50 for informing him there was nothing further that could be done when his claims were rejected by the retailers was fair. Mr C disagreed with the view of our investigator. He said as he had won the pre-arbitration stage with the first four of the defended claims then it was likely he would have won for the three amounts that remained outstanding. He also said that in respect of the claim for £234 this was actually two items, one that he hadn't received which cost £85 and one item costing £149 which he had received but returned.

As the parties were unable to reach an agreement then the complaint was passed to me. I issued a provisional decision in the following lines.

I issued a provisional decision because Mr C's complaint to Tide and its final response letter hadn't included the three amounts of £72, £52.19 and £234 because these claims were raised just afterwards. This meant that Tide hadn't investigated Mr C's complaint that it had handled these matters unfairly. However, it had given me permission to look at all the chargebacks claims made by Mr C when deciding his complaint. In these circumstances it was fair I gave the parties a chance to respond to my view before reaching a final decision.

The issue for me to consider here was whether Tide had handled Mr C's claims for reimbursement via the chargeback scheme fairly. Chargeback is a process that involves the card issuer disputing payments made on the card through a dispute resolution scheme operated by the companies which run the card networks, here that was MasterCard. It allows customers to ask for a transaction to be reversed if there's a problem with the goods or services they've paid for. There's no automatic right to a chargeback and it isn't a guaranteed method of getting a refund.

The Card Scheme sets out the necessary conditions under which a claim can be processed. Mr C's claims had been because the goods weren't received, that he should have received a refund and that the goods weren't as described. These were all situations that were covered by the chargeback scheme. Mr C appeared to have tried to resolve the issue with the retailer for most of the chargeback claims and this had been unsuccessful.

When a chargeback claim is received by the bank then it will require evidence for the claim, the merchant is then contacted to ask for its view about the claim. Here, all of Mr C's chargeback claims except one had been disputed by the retailers. Banks are able to decline to take the chargeback claim further at this point.

There is a pre-arbitration stage if the cardholder disputes the transaction for a second time with new evidence. I hadn't seen that Mr C had provided any new evidence to Tide about his claims.

The final stage would be for the bank to agree to take the matter for arbitration, that is for the

card scheme to decide the claim. However, as set out by our investigator, the bank is under no obligation to take a chargeback claim to arbitration. And as there are cost implications for the bank it would want to be sure about the strength of the claim.

Mr C said that because some of his claims had been successful then they all should be, but I'd seen it was Tide who had taken the business decision to cover a number of the chargeback claims not that the chargeback claims had themselves been successful under the scheme. It was clear that the retailers had not agreed that a reimbursement to Mr C was due. Tide had made the business decision to cover the first four claims and I thought that was fair, it had accepted there had been internal delays dealing with these claims. However, I didn't think I could reasonably conclude that by making this decision it was bound to also cover the final three chargeback claims.

I'd seen that the claims for £72, £52.19 and £234 had all been raised as chargebacks and the retailer had been contacted as per the scheme. The retailer provided evidence that the items had all been delivered to Mr C. It also appeared to have disputed that the one item Mr C said had been returned and it had not accepted the post office proof of postage that Mr C had provided. Tide had decided that as the merchant had rejected the evidence of Mr C and had provided paperwork showing proof of delivery that these three chargeback claims would be declined and not taken further.

As the chargeback scheme is voluntary and it's for the bank to decide whether the claim is moved on to arbitration then I didn't think Tide had acted unfairly in making the decision that it had. I was satisfied that in respect of these three amounts it had applied the chargeback process correctly.

Tide had accepted that it hadn't provided Mr C with the service he could have reasonably expected by wrongly advising him there was nothing more it could do after the claims had been rejected in June. I thought the £50 offer of compensation had been fair because it had reviewed the claims again and agreed to cover them. It appeared that for some of the claims there had been some possible discrepancies around addresses which possibly supported Mr C's claim. However, that situation didn't appear to have applied to the three outstanding chargeback claims. I was therefore not going to ask Tide to do more than its offer.

Mr C had raised his frustration that Tide had not reimbursed him each of the chargeback claims as they were agreed but instead waited for all the claims to be considered and then paid one lump sum. Looking at this, I could see that there had been a number of claims and that the situation hadn't been straight forward. Tide said it had made this decision to avoid mistakes and duplication of payments. I didn't think this decision had led Mr C to experience an undue delay in receiving the reimbursement. So, I didn't think compensation was warranted for that decision.

For the reasons set out above, and although I appreciated this would be of disappointment to Mr C, I didn't intend to uphold his complaint.

Tide hasn't asked me to look at any parts of my decision again, but Mr C has disagreed. He says that Tide didn't raise his chargeback claims correctly and, if it had, then these three chargebacks would also have been successful as per the outcome of the other claims. He also says that in respect of the item he had received and returned, the retailer had raised evidence that the item had been delivered but nothing regarding the item's return.

### **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 have reviewed the evidence again and the conclusions that I had reached, but while this will be of disappointment to Mr C, I haven't changed my view.

As set out above, chargeback is not a guaranteed method to receive a reimbursement and I'm satisfied that here the retailer raised objections to the majority of the chargeback claims made by Mr C. I also haven't seen any evidence that in respect of the three unsuccessful chargeback claims that Tide had incorrectly handled them. These three claims were all raised with the retailer and although contested by the retailer this wasn't on the grounds of being late but that the items had been received by Mr C.

I appreciate Mr C feels that the retailer didn't provide evidence as to the item he says was returned, but it appears the retailer didn't accept this item had actually been returned. In these circumstances, I'm unsure what evidence the retailer could produce other than the item had been delivered to Mr C.

When chargeback claims are contested by the retailer then Tide isn't obliged to take the claim further. To do so it would need to be satisfied that the claim would be likely to be successful and I think in those circumstances it would be reasonable for Tide to seek additional evidence from Mr C to assist with his claims. I haven't seen that he provided any further evidence to Tide.

Although some of Mr C's chargeback claims were reimbursed, this wasn't because the retailer agreed with the claims or that the scheme had found these claims should be successful. They were reimbursed as a result of a business decision made by Tide. And while I appreciate that some of these claims appeared to have potential queries about addresses, this didn't apply to all of Mr C's claims. So, I still think that it was fair for Tide to consider the three unsuccessful chargeback claims separately and not reimburse these on the basis that it had agreed to reimburse the earlier claims.

So, for the reasons given, I'm not upholding Mr C's complaint.

### **My final decision**

For the reasons given I'm not upholding Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 November 2023.

Jocelyn Griffith  
**Ombudsman**