

The complaint

Ms C has complained about how Metro Bank PLC handled her request for money back in relation to a transaction she made.

What happened

The circumstances of the complaint are known to both parties, so I'm not going to go over everything again in detail. But to summarise, in November 2021 Ms C used her debit card to pay a merchant that I'll call 'D' around £800 to arrange flights for her. The flights were to fly from the UK in June 2022 and return the same month. On 16 April 2022 the airline told Ms C the flight details had changed, but this wasn't going to work for her. Ms C contacted D to see if she could find something more suitable, but this didn't work out. So she asked for a refund from D, which it confirmed as received on 19 April 2022. Ms C says she was told this could take between two weeks and six months.

Ms C tried her best to obtain her refund by contacting D and the airline. After six months she tried to contact D again but found out it had gone out of business. D's website told Ms C to contact her bank so Ms C contacted Metro Bank to ask for a chargeback to be raised. Metro Bank said the chargeback had been raised out of time, on 2 November 2022, so there was nothing it could do. Ms C complained and subsequently referred it to our service.

One of our investigators looked into things and also thought the chargeback had been brought out of time. So she didn't think Metro Bank had acted unfairly. Ms C didn't agree. She said she thought the clock on the failure to provide a service only started when D confirmed it wouldn't give a refund, and not the point where the original flights were rescheduled. Ms C said her contract could be satisfied by either a flight or a refund and that it failed when the refund didn't take place. Ms C says she took action as soon as she was aware of the problem. She also said she had reasonable expectation Metro Bank would have protected the transaction.

As things couldn't be resolved, the complaint has been passed to me to make a decision.

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 first want to say I'm very sorry to hear about the circumstances here. Ms C was looking forward to travelling and her plans were disrupted. And to make matters worse, she's not received a refund from D after one was promised. It's a lot of money to lose. I can't imagine how she must feel.

While I'm sympathetic to the situation Ms C finds herself in, what I need to consider is whether Metro Bank has acted fairly and reasonably in the way it handled Ms C's request for money back. In situations like this, card issuers like Metro Bank can consider raising a chargeback. As Ms C paid for the flights using a debit card, I think this was the only avenue available to her to help try to resolve things.

The chargeback process provides a way for a bank 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 bank 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. And something going wrong with a merchant (as is the case here) won't always lead to a successful claim.

I've had a look at the relevant rules relating to credits not being processed and services not provided. I've also looked at the rules relating to failed travel merchants.

With regards to the time limit for raising a chargeback for the credit not being processed, the relevant part of the rules says the time limit is between 15 and 120-calendar days from the date on the credit documentation, or the date the service was cancelled. Ms C didn't raise the claim with Metro Bank within 120 days of the date she tried to cancel, or the date D told her it was processing the refund. So I don't think the chargeback had a prospect of success. Therefore, I don't consider Metro Bank acted unfairly by declining the claim on that basis.

I can see Metro Bank declined the claim on the basis of it being for services not received, but I don't think that's made a difference here because I think that claim was brought out of time as well – 120 days from the latest anticipated performance date. Neither can I see something in the rules relating to failed travel merchants that ought to have led to a successful claim for Ms C, in the circumstances of her complaint.

While I'm very sorry to hear about the situation I don't find I have the grounds to direct Metro Bank to take action.

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 Ms C to accept or reject my decision before 1 September 2023.

Simon Wingfield

Ombudsman