

## **The complaint**

Ms M complains Nationwide Building Society (“NBS”) failed to get her money back for flights she didn’t receive.

## **What happened**

Ms M’s NBS debit card was charged £379.04 by an online travel agent I’ll call “K” on 9 May 2022. Ms M contacted NBS on 1 June 2022 to say she had paid for travel services from K – specifically some flights – and had not received them or any booking confirmation or tickets or invoice.

NBS attempted to dispute the payment on Ms M’s debit card via the Visa chargeback system, on or around 21 June 2022. It wrote to Ms M to say it was giving her a temporary credit for the amount of £379.04, but that if the dispute was unsuccessful it would need to take this money back out of her account.

K challenged the chargeback. It said it had confirmed the booking with the airline in question and the tickets and details had been sent to the email address and telephone number provided with the booking. It supplied copies of confirmation emails, an invoice for the flights and additional baggage, confirmation the flights had flown and an audit trail showing where its emails had been sent to and whether they’d been opened. The documents showed two tickets had been purchased, one for Ms M and one for a Mr G. It appeared it was Mr G who had made the booking.

NBS decided at this point that it could not continue to dispute the payment in the face of this evidence. It informed Ms M the dispute had failed and took the temporary credit back. This prompted a complaint from Ms M, who now also said the payment was fraudulent.

NBS rejected Ms M’s complaint. It said that as Ms M had told them she had intended to make the payment, it did not consider the matter to be fraud and it could only dispute the payment via the Visa chargeback process, which had been unsuccessful. It said there was nothing more it could do for Ms M.

Dissatisfied with this response, Ms M brought her complaint to the Financial Ombudsman Service, where it was looked into by one of our investigators. Our investigator asked both parties to the complaint some questions and ultimately concluded that NBS hadn’t done anything wrong. She suggested that it would be helpful however if Ms M could provide some more information about Mr G’s involvement in the transaction.

Ms M did not provide any information regarding Mr G, but asked that her case be considered by an ombudsman. The complaint has therefore 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.

When a person buys goods or services using a debit card, there is no automatic right to a refund from their bank if something goes wrong with what they've bought. However, a bank may be able to help their customer through the dispute resolution system administered by the card scheme whose logo appears on the card (Visa in this case). Disputes raised via this mechanism are usually referred to as chargebacks.

Chargebacks are not a way of determining a person's legal rights to a refund from a merchant in relation to a purchase, they are a way of settling disputes according to the rules set by the card schemes. The rules cover matters such as what kinds of disputes can be pursued, the kind of evidence required, and the timeframes in which things must be done. Chargebacks are not guaranteed to succeed – they can be challenged by the other side to the dispute. If no side is willing to concede then ultimately the card scheme itself can be asked to rule on the dispute.

I would expect NBS to have attempted a chargeback on behalf of a customer looking to bring a dispute, so long as there was a reasonable prospect of the chargeback succeeding and attempting one would be compliant with the card scheme's rules. If such a chargeback was challenged by the other side to the dispute, I would expect NBS to look carefully at the submissions made by the other side and make a decision on whether to continue pursuing the chargeback. I would not expect NBS to pursue it further if the further submissions showed it no longer had a reasonable prospect of success. On the other hand, I would also not expect NBS to accept an obviously incorrect or unreasonable challenge from the other side to the dispute.

In Ms M's case, she approached NBS stating that she'd not received the services she'd paid K for. This is the sort of scenario which the card scheme rules state a chargeback can be attempted for, and NBS did so. However, it was challenged by K.

I've considered the information K provided carefully. On the balance of probabilities, I think this shows the following:

- Mr G booked plane tickets for himself and Ms M. Ms M's NBS debit card was used to pay for the booking.
- K made the bookings with the airline. Confirmation of the tickets was sent to the email address provided by Mr G, and the emails were opened by the recipient.
- Mr G later contacted K, prior to the date of the flights, to enquire about the baggage allowance.
- The flights went ahead.

Having considered the Visa card scheme rules, I don't think it's likely that, had NBS pursued the chargeback further, it would have been successful. This is because K provided the flight tickets it had been paid for, sending them (or a link to them) to the details provided at the time of booking. Ms M may not have got on the flights, but they were *available* for her to use. I think NBS's decision not to pursue the chargeback further in light of this was a reasonable one.

I note Ms M did later say to NBS that the payment was fraudulent. She does not appear to have developed this argument further. There's been no suggestion, for example, that she did not authorise the payment to K. On the face of it, I think it's likely that Ms M meant that she considered it fraudulent not to have received the flights she'd paid for. As I've explained above however, I think the flights were made available to Ms M, via Mr G who made the booking.

Our investigator did invite Ms M to provide further information (for example about Mr G's involvement in the transaction), but she has not provided any more comments other than to repeat that she did not get the flights.

Ultimately, I see no reason why NBS should refund the money Ms M paid to K on her debit card.

### **My final decision**

For the reasons explained above, I do not uphold Ms M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 12 October 2023.

Will Culley  
**Ombudsman**