

## **The complaint**

Miss S complains about the way Nationwide Building Society handled a chargeback claim.

## **What happened**

The background facts of this case are well known to the parties so I shall only summarise these here.

Miss S agreed to pay £299 for a jacket and additional tailoring using her Nationwide debit card. She says that the store ('the supplier') overcharged her card by an extra £100 so she raised a dispute with Nationwide.

Nationwide raised a dispute for the £100 difference which was successful. However, Miss S says that she wanted all of her money back and Nationwide should have got this for her. Nationwide disagreed. It says it raised an appropriate chargeback at the time and isn't able to raise another.

Our investigator did not uphold the complaint about the way the chargeback had been handled. Miss S has asked for an ombudsman to make a final 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 have considered the evidence on this case but will not comment on all of it – only what I think is key. This reflects my role resolving disputes informally.

I note in a final response letter Nationwide issued that dealt with this matter Miss S had another complaint point mentioned about communication regarding another dispute she raised. Then Nationwide issued another final response letter dealing with this matter only. For clarity my decision here only concerns the claims handling around the dispute for the jacket.

I know Miss S is unhappy with the circumstances around her purchase but it is worth underlining that Nationwide is not the seller of clothing or tailoring services here. It follows that when I look at whether it acted fairly I take into account its role as a provider of financial services and how it could reasonably have helped Miss S in progressing a dispute against the supplier.

Because Miss S used a debit card the chargeback scheme is relevant here. It is not a legal right but a commercial dispute process run by the card scheme. In this case the relevant card scheme appears to be VISA so I have considered its rules in deciding what is fair and reasonable.

A chargeback is not guaranteed to succeed but I consider it fair for a bank to raise one

where appropriate. In this case it appears Nationwide raised a chargeback using a reason code relating to the wrong amount being charged. There appears to be no dispute Miss S was overcharged by £100 and as a result Nationwide managed to recover the £100 for her through chargeback.

The issue here is that Miss S says she actually wanted a full refund for the purchase too. Which would be the £299 she spent on the jacket and tailoring. I have considered if Nationwide acted fairly here in raising a chargeback for the difference rather than the full purchase price here.

In doing so I have considered the record of Miss S's contact with Nationwide. I note that in the early contact she had with Nationwide (on 12 July 2022 – 'Call A') she spoke to the fraud team and tells it that the agreed price was £299 but she was overcharged £399. She also mentions that she asked the supplier for a full refund as she didn't want the jacket anymore. During this call Miss S was told she needed to raise the matter with the disputes team rather than the fraud department as it was a transaction Miss S accepted she had made herself. She was then told the disputes team were closing soon – and was given a direct number for them and an attempted transfer. However it appears Miss S wasn't able to speak to disputes this day – nothing on the contact logs shows she did and there is no record of an additional call.

I acknowledge that during Call A Miss S did mention not wanting the jacket any longer. However, she didn't raise a chargeback on this call and knew she had to speak to the disputes team to do that. So I consider the more important call here to be the later call where Miss S spoke to the disputes team in order to raise her dispute.

I have listened to this call which Miss S made to the disputes team on 30 July 2022 – sometime after the first. She mentions she has been 'overcharged' and wants to do a chargeback. Miss S explains on this call that the price of the item was meant to be £299 on the invoice but she was charged £100 over this amount as shown by her transaction receipt. There is no mention here of Miss S wanting to refund the entire transaction or not having the item in her possession.

Based on the contact records I have considered I don't think that Nationwide acted unfairly in raising a chargeback for the difference rather than the whole transaction. I think it is quite clear from Call B that she wanted to raise a chargeback for the difference. And despite what she said on Call A – that wasn't to the correct department and was a few weeks before Call B took place. So I don't think it is reasonable to have expected Nationwide to have recognised that the chargeback should have been for the full amount here.

I also note that shortly after raising the chargeback Nationwide sent Miss S an email confirming that it had credited the £100 as part of the dispute. Miss S does not appear to have queried this at the time.

The chargeback was successful. And under the relevant VISA rules it isn't possible to raise another one for the same transaction. So I don't think Nationwide has acted unfairly in not raising another chargeback here for the full amount.

Overall, as I have said, I don't think Nationwide made an error in raising the chargeback for the difference in amount here. However, for completeness it is worth noting that I don't think a chargeback for the full amount would have likely succeeded in any event. From what I can see Miss S was upset about being overcharged so changed her mind about the purchase and wanted all her money back– but there isn't persuasive evidence she was entitled to a refund. It appears the jacket and tailoring service was still available for her as agreed. I know Miss S says the supplier told her she had 7 days to change her mind but I don't see this in

the written terms of the invoice – and this seems unusual if the supplier had also agreed to customise the jacket for her family member (as this would mean they likely can't sell it to anyone else). So even if I did accept that Nationwide had made a mistake here (which I do not for the reasons given above) I don't think this has likely caused Miss S a loss in any event.

Miss S says she was assured by a particular call handler at Nationwide that she would get all her money back in respect of this transaction. While I can see that she spoke to this call handler I don't know exactly what was said. However, it seems unlikely she was promised a full refund at this stage as the calls appear to be from October 2022 – after the initial chargeback was closed. It is also clear that by this point Nationwide was not able to raise a further chargeback under the scheme rules – so regardless of what Miss S might have been told it does not make a difference to the outcome of her dispute in any event.

I am sorry to hear about Miss S's dispute with the supplier. However, I don't think Nationwide in its role as a provider of financial services has acted unfairly here so I won't be directing it to pay Miss S a refund or compensation.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 2 January 2024.

Mark Lancod  
**Ombudsman**