

The complaint

Miss L complains about how Metro Bank PLC handled her claim for a refund.

What happened

The parties are familiar with the background of this complaint so I will just summarise it here.

Miss L purchased an item on her Metro Bank debit card. She wanted to return it for a refund but the retailer ('the supplier') won't take it back. It says she is outside of its 14 day return window.

Miss L contacted Metro Bank for assistance. It considered a chargeback claim but did not progress this due to the supplier's terms and conditions of sale.

Miss L complained about this and brought her complaint to this service for consideration.

The investigator did not uphold the complaint so it was passed to me for 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 submitted by the parties – but I will only be commenting on the matters I decide are central to this complaint. This reflects my role resolving complaints informally.

I'm very sorry to hear about Miss L's circumstances and her health difficulties which this situation has impacted. I know she feels that the supplier has acted unfairly here in not allowing her to return the goods. However, in looking into this complaint I have to underline that Metro Bank is not the supplier of the goods here, and I can only consider its role as a provider of financial services. In doing so I note that Miss L used a debit card to purchase the goods – so in considering if Metro Bank has treated her fairly I consider the chargeback scheme is particularly relevant here.

Chargeback allows Metro Bank to raise a dispute about certain transactions on Miss L's behalf. However, the chargeback scheme is not guaranteed to retrieve money, and it is governed by the limitations of the card scheme rules. Here I note that the relevant card scheme appears to be MasterCard. So it is these rules I have considered when deciding what is fair and reasonable in the circumstances.

Metro Bank appears not to have progressed a chargeback further as it considered Miss L did not have a chargeback right due to the particular terms and conditions of the supplier she had signed up to. Essentially, Metro Bank concluded that the chargeback did not have a reasonable prospect of success because Miss L had wanted to return the item outside of the returns period which states that a customer has 14 days from the date of delivery to arrange a return.

It appears accepted that when Miss L wanted to return the goods around November 2022 she was well outside of the returns window. The supplier explained that the item was delivered in August 2022 and there is a strict 14 days return policy. Miss L has explained that this delay was because the item was delivered to a neighbour and she wasn't able to collect it right away.

It appears here that the goods were not faulty or not as described. Furthermore, it transpires that they were delivered. So I think there were limited chargeback reason codes that would apply here and I don't think a chargeback for 'goods not provided' for example would have had a reasonable chance of success here as ultimately Miss L took possession of the goods.

Looking at the chargeback scheme rules I think the most appropriate chargeback reason here would be that relating to a '*credit not processed*'. However, because the supplier disclosed its refund policy, and failed to agree to refund Miss L under its terms and conditions (which on the face of it prevent her from returning the goods and claiming a refund here), I don't think this reason code is likely to have resulted in a refund for Miss L even if Metro Bank had taken things further.

I note there appears to be a dispute from the supplier as to whether the item actually was originally delivered to a neighbour or Miss L. However, even if I accept the unfortunate situation Miss L describes that appears to have led to her being outside the return window, the problem is that the relevant chargeback rule does not appear to take into account circumstances like these. So ultimately, I don't think Metro Bank has acted unfairly in originally concluding that this particular dispute did not have a reasonable prospect of success under the chargeback scheme. It might be that Miss L would have been in a better position under Section 75 of the Consumer Credit Act 1974, which incorporates certain legal consumer protections, but because she paid using a debit card that doesn't apply here.

For completeness, I note Metro Bank has more recently said it thinks a chargeback would have been out of time as Miss L provided information to it more than 120 days from the date of delivery. I am not entirely persuaded by this – as a 'credit not processed' chargeback does not necessarily run from the date of delivery. But, in any event, I have already explained why I don't think Metro Bank acted unfairly in not progressing the chargeback here.

I note as part of her complaint it appears Miss L mentioned to Metro Bank that due to her mental health condition it should not have allowed the transaction to go through originally. From what I can see this isn't the central issue in her complaint, but for completeness I will cover it here. Metro Bank says that the transaction appeared genuine and it didn't have any records previously of Miss L's condition so it doesn't think it had reason to stop the transaction from going through.

I don't see persuasive evidence that Metro Bank was notified of Miss L's additional needs prior to the transaction taking place or that it had a good reason for stopping the transaction. And while I am sorry to hear about Miss L's condition I don't think Metro Bank has acted unfairly in not blocking the transaction in the circumstances.

I know Miss L will be disappointed by my decision – but I have only considered the role of Metro Bank and how it acted in the circumstances and within the confines of the chargeback scheme. My decision doesn't stop Miss L from considering other action in respect of escalating complaints with the supplier or courier if she wishes to.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 19 February 2024.

Mark Lancod
Ombudsman