

## The complaint

Mr A has complained about the way Sainsbury's Bank Plc dealt with his request for money back in relation to a transaction he'd made to buy furniture.

## What happened

The events of the complaint are well known to both parties, so I'm not going to go over everything again in detail. I'm also only going to focus on the complaint points that are still outstanding. In summary, Mr A bought furniture from a supplier in November 2022 using his Sainsbury's Bank credit card. The furniture cost around £4,000. When the furniture was received, Mr A wasn't happy with it. He didn't think it was as described because he says the colour didn't match the pictures on the merchant's website. He asked to cancel the order.

The merchant let Mr A know he had the option to return the goods at his own cost for a full refund or it could collect them at a cost. Mr A complained and asked the merchant to collect the goods. Mr A arranged with the merchant the return of the furniture, and the merchant refunded around £3,500 because it says its terms allowed it to make a deduction up to 25% of each item returned as a collection fee. Mr A complained to the merchant about the deduction from the refund for collection because he says the goods weren't as described. The merchant referred to its terms about collection costs and also highlighted other terms that said it couldn't guarantee the way a customer's computer displayed colours would accurately reflect the colour of the goods. The terms said the pictures on the website are a guideline.

Mr A was unhappy he didn't receive a full refund so contacted Sainsbury's Bank for help. Sainsbury's Bank asked for evidence and responded to say Mr A had agreed to the merchant's terms and conditions and there was no valid chargeback claim that could be made. It also said there was no evidence of a breach of contract. Mr A complained.

Sainsbury's Bank considered Mr A's complaint but based on the merchant's terms it didn't uphold it. It looks like Sainsbury's Bank did, however, offer Mr A £50 compensation because Mr A said it didn't call him as requested when giving its outcome.

Mr A remained unhappy. He says Sainsbury's Bank didn't understand consumer rights and he was unhappy with the way it dealt with his claim and subsequent complaint. Mr A says the matter caused him stress and inconvenience. He says he wanted to close his account with Sainsbury's Bank but wasn't sure if he could do this with a dispute ongoing. Mr A referred the complaint to our service and requested an apology and appropriate compensation.

One of our investigators looked into the complaint but didn't make any recommendations. She considered Sainsbury's Bank's handling of the chargeback claim, along with its liability under section 75 of the Consumer Credit Act 1974. She also considered how Sainsbury's Bank had handled things generally. Based on the evidence she'd seen, our investigator thought Sainsbury's Bank had handled things fairly. So, she didn't make any recommendations.

Mr A didn't agree. He says our investigator simply repeated what Sainsbury's Bank had said. He said she didn't understand the complaint. He also said our investigator ignored the response from the merchant that acknowledges colours can vary. 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'm considering whether Sainsbury's Bank has acted fairly and reasonably in the way it handled Mr A's request for getting his money back. In situations like this, Sainsbury's Bank can consider raising a chargeback or assessing a claim under section 75.

The chargeback process provides a way for a card issuer 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 card issuer 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 won't always lead to a successful claim. It's important to note this isn't a complaint against the merchant.

Section 75 is a statutory protection that enables Mr A to make a like claim against Sainsbury's Bank for breach of contract or misrepresentation by a supplier paid by credit card in respect of an agreement it had with him for the provision of goods or services. There are certain conditions that need to be met in order for section 75 to apply.

Our investigator considered the evidence Mr A had submitted to Sainsbury's Bank for his claim. And she asked Mr A if he had any pictures to show the goods weren't as described. He provided pictures from the merchant's website and says these show blue sofas. He says he didn't take any pictures of the sofas that arrived. But he says they were teal or green. He says he didn't think there'd be an issue obtaining a refund.

I'm required to decide Mr A's complaint quickly and with minimum formality. I've thought about whether a chargeback was likely to succeed, or whether there's sufficient evidence of a breach of contract Sainsbury's Bank would be liable for under section 75. But the problem is, I simply don't have enough evidence the sofas weren't as described. Mr A hasn't been able to supply any pictures for example. I think the chargeback was unlikely to succeed based on the evidence Mr A submitted to Sainsbury's Bank because it didn't have the required supporting documentation. Moreover, even if I were to say the merchant's term relating to the colours shown on its website was unfair (and therefore not binding on Mr A) for the same reasons I still don't have sufficient evidence the goods weren't as described. So, I don't find there's enough to show there's a breach of contract Sainsbury's Bank is liable for either.

I've also thought about Mr A's response to our investigator's view. He says, most importantly, the merchant had emailed him to acknowledge the issue with the colour and confirm it varied. I've reviewed the email he referred to. The agent was responding to Mr A's comment about the colour being described as 'air force' and that when searching on the internet he says this is shown as blue – and not green or teal. The agent responded to say when she searched the definition of 'air force' on the internet she found it could vary. She wasn't confirming the goods weren't as described.

Therefore, to summarise, what I've seen is that:

- The merchant set out the photos on its website were a guideline and it couldn't guarantee Mr A's computer would display the colour of the goods accurately.
- The merchant set out terms that upon cancellation it could make a deduction from the refund of up to 25% to cover the cost of collection.
- The merchant told Mr A a deduction would be made before collecting the goods.
- Mr A had the option to return the goods himself to receive a full refund.
- Mr A has explained the colour of the sofas delivered was not as described but hasn't been able to supply any supporting documentation.

All things considered, I think Sainsbury's Bank dealt with the claim fairly based on the evidence I've seen. I appreciate it's a lot of money to lose out on for returning the goods. But based on what I've set out above, I don't have the grounds to direct Sainsbury's Bank to reimburse Mr A the collection charges.

I've finally thought about how Sainsbury's Bank handled things generally. Mr A was unhappy with its overall service. From what I can see, the claim was raised in January 2023 and Sainsbury's Bank declined the claim the following month. So, I don't find it took an unreasonable amount of time to deal with it. Sainsbury's Bank offered Mr A £50 because he says he wasn't called when the claim was decided as requested. I find this to be broadly fair in the circumstances. I'm not making a further award. I understand the £50 offer is still on the table – although I appreciate Mr A was unhappy with this. I'll leave it to Mr A to decide if he now wishes to accept it.

### **My final decision**

Sainsbury's Bank Plc has already made an offer to pay Mr A £50 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Sainsbury's Bank Plc should pay £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 September 2023.

Simon Wingfield  
**Ombudsman**