

The complaint

Mr K complains that Nationwide Building Society hasn't done enough to assist him in recovering money he paid to a third party A using his debit card.

What happened

Mr K booked flights through A. He paid £1,685.52 using his Nationwide debit card. The price included an amount of £45.36 for specified seats. A confirmed Mr K's flight itinerary. But shortly afterwards A sent Mr K a message to say it wasn't able to process the request for seat assignment.

A said it would refund the £45.36. It duly did so. But Mr K appears to have thought this meant A had cancelled his whole flight booking. He emailed A under the heading "*Refund for cancelled flight*", also asking why the flight still showed as scheduled on A's website.

It's not clear whether A responded to Mr K's email, but as I understand it he made alternative flight arrangements. He also got in touch with Nationwide to see if it could help. Nationwide applied a temporary credit to Mr K's account and raised a claim through the chargeback process.

A responded defending the claim, and while Nationwide pursued the claim further on Mr K's behalf, it ended up being unsuccessful in recovering any further money. As a result Nationwide redebated the money to Mr K's account.

Mr K was unhappy with the situation and complained about Nationwide's handling of matters. He remained dissatisfied with Nationwide's response and referred matters to us.

Our investigator wasn't persuaded to uphold Mr K's complaint. She felt Nationwide had taken appropriate steps to handle the chargeback claim, and that it hadn't misled Mr K as to the likely outcome. Mr K maintains that more should have been done to get his money back, reiterating that his documents show A said it was refunding him. He's asked for this review.

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.

Firstly, it's possible Mr K has a contractual dispute with A. He might also have grounds to suggest that A could have done more in response to his email that made clear he thought it was his flights that had been cancelled, rather than just the seating reservation. But that isn't what I – or Nationwide – are here to determine.

Nationwide's role in this matter was to see if it could assist Mr K in recovering his money from A (the merchant). Its options for doing so were rather limited. As a debit card issuer, its only real recourse was to attempt to chargeback Mr K's payment using the relevant card scheme rules – in this case, Visa. Nationwide doesn't run the card scheme itself and has no

influence over the chargeback process. And not every dispute between a customer and a merchant falls completely within the chargeback reasons in the card scheme rules.

When a card issuer starts a chargeback, the outcome is by no means guaranteed. The claim may be successfully defended by the merchant. That doesn't mean the card issuer agrees with the merchant, or that it favours one party over another. It simply means the merchant has defended the claim in line with the card scheme rules. That's what appears to have happened here. A responded to Nationwide within the given period, providing evidence that it had refunded what it said it would.

I accept Mr K disputes A's position. His correspondence with us is clear in setting out the reasons why he's dissatisfied with A and believes he should be entitled to have the rest of his money back. But they don't really offer me a reason to conclude that the reason he hasn't got his money back via chargeback was because of a failing on Nationwide's part. They highlight and clarify why he's unhappy with A, but I don't think that's in dispute.

It's important for me to emphasise that a debit card issuer doesn't generally adopt liability for the actions of a merchant simply because a customer pays with a card it issued. In some situations, the chargeback scheme affords customers a way of resolving their dispute with a merchant without needing to take legal action. Unfortunately, it's sometimes the case that the underlying dispute has to be resolved by other means, such as independent mediation or court action.

I understand Mr K's strength of feeling here. He clearly feels A should be refunding the full cost of the flights. He believes he has a strong case. But I can't see there's a basis to say this makes it appropriate for me to say Nationwide should be liable to reimburse Mr K the money that he paid.

When Mr K approached Nationwide, it did what it could to help. It raised a claim against A under a valid chargeback reason in the card scheme rules. A defended the claim under those same scheme rules. Nationwide explained the situation to Mr K, and pursued the claim as far as it was able, seeking a ruling from Visa who ultimately found for A. Nationwide could do no more than this for Mr K. I'm conscious Mr K believes that process took too long. But I'm not persuaded this was due to unnecessary delay on Nationwide's part.

Mr K's situation does highlight some of the shortcomings of the chargeback scheme as a way of resolving some disputes. But that isn't a matter within my control; I have no power to require a change to the card scheme rules or the way in which they should operate. The operation of a card scheme is not an activity covered by my jurisdiction. Nor does it provide a reason for me to say Nationwide should have acted differently.

I find no reason to criticise Nationwide for doing what it did in efforts to assist Mr K. Overall, I find Nationwide has acted fairly towards Mr K in this case.

My final decision

I've sympathy for Mr K's situation. I understand the points he makes about the underlying dispute with A, and he might be able to make arguments to resolve that conflict through a different means. It is open to Mr K to seek his own legal advice in this respect; I can't advise him. But as I've said, that's not the issue I'm dealing with in considering the actions of Nationwide Building Society.

For the reasons I've explained, I can't fairly uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or

reject my decision before 24 October 2023.

Niall Taylor
Ombudsman