

## **The complaint**

Miss K complains that PrePay Technologies Limited trading as PPS hasn't done enough to assist her in recovering money she paid using a debit card for a purchase. Miss K's card is operated under the brand name Mettle. For ease of reading, in this decision I'll refer to PrePay Technologies Limited as "Mettle".

## **What happened**

Miss K's Mettle debit card was used to pay for a mobile phone ordered from a third party online retailer "A". Miss K contacted A to say that the phone had been stolen from the box before it was received. She says she reported the matter to the police as A advised, but that despite this A hasn't refunded her. In response A said that its investigation concluded that the shipment was delivered in good condition and that it wouldn't be replacing the item or issuing a refund.

Miss K turned to Mettle to see if it could assist by raising a chargeback claim. Mettle reviewed Miss K's claim and asked some further questions about the evidence she was able to provide in support of her claim. Miss K told Mettle the order had been placed by her sister, that she wasn't present at delivery and was unable to provide photographs or evidence that the box was tampered with before delivery. Mettle informed Miss K that it wouldn't take her claim further. It added that it was arranging to close Miss K's account.

Miss K was unhappy with Mettle's position and complained. She felt Mettle should have done more to help her get a refund. In response Mettle told Miss K that there was insufficient evidence to show she'd raised a dispute with A. It said the copy documents she'd provided wasn't enough to demonstrate her claim. Mettle also expressed the view that it hadn't made any error in its closure of Miss K's account. It didn't uphold Miss K's complaint.

Our investigator didn't think there was much Mettle could do to help Miss K get her money back. She felt that under the card scheme rules it was reasonable for Mettle to have taken the stance that it did, in light of the limited information Miss K had in support of her claim and A's response to her. The investigator didn't think that if Mettle had pursued a chargeback claim, this would have resulted in a different outcome.

Miss K didn't accept our investigator's conclusions and has asked for this review. In support of her position she's said that A told Mettle to get in contact with it about the matter, and that she made a police report as she was advised to do.

## **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.

Let me say at the outset that I make no comment here on Mettle's decision to close Miss K's account. This did not form part of her complaint to us. I also note that while Miss K's original complaint to us was about a dispute she had with an entirely different retailer "N", that aspect forms no part of my consideration of how Mettle handled her claim against A.

As the investigator explained in her assessment, in some situations the chargeback mechanism affords customers a way of resolving their dispute with a retailer without needing to take legal action. It should be noted that this doesn't in itself make a card issuer liable to refund the money. Where there are grounds under the card scheme to make a chargeback claim, and that claim has a reasonable prospect of success, I'd expect a card issuer to attempt recovery by this means.

Here however, Mettle has given reasons why it didn't think the claim was likely to be successful. It has said it asked Miss K about the circumstances of the purchase and delivery. Her evidence was that the purchase was made by her sister and that she wasn't present at the delivery. It would appear Miss K's claim is founded on what someone else has told her happened, rather than having first-hand evidence. Not only that, but it is unclear whether she herself participated in the transaction, which is a key requirement for the chargeback claim to be raised. I can see why in this individual case, Mettle declined to proceed with a claim.

I acknowledge Miss K's view, which is that she believes Mettle should raise the claim on the basis she has made a police report and that A has told her to ask her card issuer to do so. That doesn't mean A will simply agree a claim from Mettle. Given that Miss K's claim seems to be against A, there's little reason to complicate matters by involving her card issuer. If A is in fact willing to reimburse the transaction, it is at liberty to do so itself. The fact it has not suggests to me the position is rather less clear-cut than averred by Miss K's submissions.

Having considered what's been said, I don't think the conflict of evidence between Miss K and A is best resolved by my requiring Mettle to pursue a chargeback – noting that in any event it would by now be out of time to do so. The underlying dispute with A is in my view something that a court might be better placed to determine. It involves allegations against parties who aren't participants in this dispute – A, and its delivery service – but who may be in a position to offer evidence that speaks to the merits of the delivery dispute.

### **My final decision**

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 8 April 2024.

Niall Taylor  
**Ombudsman**