

The complaint

Mr S is unhappy that Nationwide Building Society won't reimburse him £299 that he's owed from a merchant.

What happened

Mr S engaged the services of a locksmith to repair the front door of his home. The locksmith initially quoted Mr S a figure of around £200 to complete the repair, but when the work was done, they charged Mr S an inflated amount of £528. Mr S wasn't happy about the higher amount, but he paid the locksmith using his Nationwide debit card.

Mr S later took the locksmith to the County Court and obtained a judgement in his favour which instructed the locksmith to pay him £299. However, the locksmith refused to comply with the judgement, so Mr S asked Nationwide to obtain the Court awarded reimbursement on his behalf.

Nationwide raised a chargeback claim with the debit card provider (the company whose logo is on the debit card) to try to recover the £299 for Mr S, and they provided a temporary credit of £299 to Mr S's account pending the result of the chargeback claim. But the chargeback claim was declined by the card provider because Mr S had authorised the payment of £528 to the locksmith, which meant that what had happened didn't meet the card provider's criteria for a successful claim. And because the chargeback claim was declined, Nationwide removed the temporary credit of £299 from Mr S's account. Mr S wasn't happy about this, so he raised a complaint.

Nationwide responded to Mr S and explained that in hindsight a chargeback claim should never have been raised for him because he had paid for the service he'd received from the locksmith – regardless of the fact that he was unhappy with the price – which meant that his dispute didn't fall within the rules of the card provider's chargeback scheme. Nationwide further explained that because Mr S had obtained a Court judgement in his favour, enforcement of the judgement would need to be obtained via the Courts. Mr S wasn't satisfied with Nationwide's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that Nationwide's response to Mr S's complaint already represented a fair outcome. Mr S remained dissatisfied, so the matter was escalated to an ombudsman 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 can appreciate how Mr S would like Nationwide to help him recover the £299 that a Court judgment has said that the locksmith must reimburse to him. But it isn't Nationwide's responsibility to enforce the Court judgement that Mr S has obtained. Rather, if the locksmith is refusing to comply with that judgement, Mr S would need to seek enforcement of that judgement via the Courts.

Ideally, this should have been explained to Mr S when he first asked Nationwide to act on his behalf. But I don't feel that it was unreasonable for Nationwide to have tried to help Mr S and to have attempted to recover the money for him via the channels available to them.

In this instance, because Mr S paid the locksmith using his Nationwide debit card, the only viable channel for Nationwide to recover the £299 was via a chargeback claim using the card provider's chargeback scheme. A chargeback claim is subject to the rules of the chargeback scheme. These rules are set by the card provider – the company whose symbol is on the card. The rules are quite strict, and Nationwide doesn't have the power to change them.

In this instance, the chargeback scheme rules include that if a payment is authorised by the card holder – which Mr S did, regardless of the fact that he was unhappy with the amount – then that payment isn't eligible for reimbursement under the chargeback scheme. Rather, in these circumstances, any disagreement between Mr S and the locksmith about the amount that Mr S paid would be a civil matter between themselves.

Mr S has noted that the card provider does have rules in place to recover fraudulent payments. But the rules that Mr S refers to are in relation to unauthorised payments – where money has been taken without the knowledge or consent of the card holder. And because Mr S knowingly made the £528 payment to the locksmith, those rules don't apply.

Ultimately, Mr S wasn't eligible for a reimbursement under the chargeback scheme rules, and so I don't feel that Nationwide have acted unfairly by withdrawing the temporary credit of £299 that they applied to his account when they submitted the chargeback claim on his behalf. And, as explained, it isn't Nationwide's responsibility to enforce the Court judgement that Mr S has obtained. That would be a matter for Mr S to pursue himself via the Courts.

I realise this won't be the outcome Mr S was wanting, but it follows that I won't be upholding this complaint or instructing Nationwide to take any further action here. I hope that Mr S will understand, given what I've explained above, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 July 2024.

Paul Cooper
Ombudsman