

complaint

Mr B has complained Nationwide Building Society ('Nationwide') refused to pursue a chargeback claim.

background

Mr B took his car to a garage for repairs and a paint re-spray.

He didn't notice anything wrong when he collected the car, but, on the way home, he noticed the driver and front passenger windows wouldn't close and the right indicator wouldn't work properly. Once home, he noticed further problems and repaired some of these himself.

A few weeks later, when he went to wash the car, he saw defects in the paintwork and found paint deposits inside the light indicator compartment. He said the lighting and wiring was faulty. He returned the car to the garage with a list of the faults and asked it to fix them, which he said it agreed to do. However, when he collected his car four weeks later the defects in the paintwork were still there. He got a second opinion from another garage and it recommended a re-strip and full re-paint.

Since he paid for the original re-spray with his debit card, he made a claim to Nationwide for a chargeback. It refused to attempt one, stating several different reasons. But it offered £125 compensation for distress and inconvenience.

Mr B then complained to this service. Our adjudicator agreed Nationwide hadn't properly explained the chargeback procedure, but she didn't think his claim would've been successful anyway, especially as he couldn't return the car. She also explained he didn't have an automatic right to a refund under the chargeback policy and that his dispute needed to fall within one of the stated reasons under it, but it didn't.

Mr B was unhappy with this decision and asked for an ombudsman's review. He says Nationwide, and this service, are confused because we repeatedly refer to defective goods, and not services.

my provisional decision

I issued a provisional decision upholding Mr B's complaint on 10 March 2010. I said, in summary:

- my provisional decision was based on Nationwide's refusal to attempt a chargeback.
- Nationwide treated Mr B's his complaint as consumer credit one, even though he used his debit card to pay for the repairs.
- It said it wasn't responsible under the policy for disputes about the quality of services, even though the VISA Chargeback Policy says it covers goods or services.
- Nationwide referred repeatedly to 'defective merchandise' and insisted on Mr B returning the car, even though he didn't buy the car from the garage.
- Nationwide didn't acknowledge he tried to resolve the dispute directly with the garage and had returned his car for remedial works.
- There was a report from another garage saying the original re-spray was faulty.

I invited representations from Mr B and Nationwide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Since issuing my provisional decision, I've received a response from Nationwide saying it has nothing further to add but it wants a final figure for the cost of the re-spray. Mr B has also responded saying there are further defects with the car. Since these are new complaints, I haven't considered them.

In the circumstances, my decision remains unchanged.

I couldn't get a separate figure for the labour costs from the garage so I'm basing the award on an estimate from the second garage.

my final decision

My final decision is that Nationwide Building Society should refund Mr B the money he paid for the original re-spray. This comprises:

Paint materials	£ 440.59
Labour costs for the re-spray	£2400 (including VAT @ 20%)

I'm also asking it to pay him £200 for the distress and inconvenience caused by its poor handling of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 May 2016.

Razia Karim
ombudsman