

The complaint

A, a limited company, has complained Santander UK plc didn't cancel one of their company cards when requested.

What happened

Mr H, a director of A, contacted Santander in March 2019 to query the latest transactions on a company debit card. This card had been given to one of A's employees. Santander confirmed the most recent transactions. The employee left A's employment in March 2019.

Another employee of A then called Santander in early April to find out how to cancel a card on the account. This call resulted in Santander firstly closing down Mr H's card. They then corrected this error. They also confirmed transactions on the other card. This in fact included a number of cash machine withdrawals which A had never permitted their employee to make. Mr H was unhappy with what had happened. He felt Santander's actions had led A to allow their employee to leave employment without repaying what was owed. This was apart from the inconvenience of the card being closed in error.

Santander apologised for their mistake and paid A £200 in compensation. Mr H remained unhappy and brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. This included evidence to show Mr H had sent Santander a letter in February to cancel the card in dispute. Our investigator wasn't convinced this was the case. He also listened to the two telephone calls on 20 March and 4 April. Overall he didn't believe Santander had done anything wrong. Whilst they'd made a mistake in closing the wrong card, they had sorted this out and paid compensation. Mr H hadn't provided any evidence to support his argument this had caused A additional expense.

Mr H, on A's behalf, asked an ombudsman to review the complaint.

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. Having done so, I've reached the same outcome as our investigator. I'll explain why.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The Payment Services Regulations are the relevant law here. These primarily require banks to refund customers if they didn't make or authorise payments themselves. Certain other circumstances do apply but nothing that's had a marked impact on the decision I'm making here. So when we look at whether a bank has acted fairly in rejecting someone's fraud complaint, one of the things we consider is whether the customer made the transactions themselves or allowed them to be made. If they did, then we generally wouldn't ask the bank

to refund them.

So to help me decide what happened, I've looked at the evidence of the transactions, as well as what both Santander and Mr H have shared with us.

Firstly I can see the timeline of events, including detail of the phone conversations and how the transactions were made, were covered in our investigator's view of 9 November 2019. I don't intend to repeat everything that was said there. I will, of course, refer to those aspects which form the basis of my decision. I can reassure Mr H and Santander I've read the file thoroughly.

The following summarises what I've considered:

- There were a series of cash machine withdrawals undertaken from 22 February to 12 March 2019. There's no real dispute these were carried out by an employee of A. That employee stopped being an employee on 20 March 2019.
- At the time of the withdrawals, this employee was authorised by A to be a cardholder. In accordance with the regulations these transactions were therefore authorised.
- Mr H has given us evidence that A wrote to Santander on 6 February cancelling this card. I find this odd as this employee didn't then leave employment until later in March. I also note the Post Office information confirming this letter was sent was unstamped. According to the Post Office's own rules this means it's not valid. I have, however, considered that this is just an error on the Post Office's part.
- The call on 4 April definitely notified Santander A wanted to cancel the ex-employee's card. The call on 20 March didn't do this.
- I agree Santander incorrectly didn't mention the cash withdrawals in the phone call on 20 March. They should have. As our investigator stated this wouldn't have stopped the transactions as the last one had been on 12 March.
- I note Mr H has given us a copy of a letter from A's ex-employee. His argument is that if they'd been told what had happened on 20 March, they'd have had an opportunity to get their employee to repay them. That's possible but I wonder if this would have happened. It seems the money was stolen for gambling purposes. There's no indication the money was available to be repaid.
- Santander agree they made a mistake by cancelling Mr H's card. That definitely caused A some business inconvenience. Santander paid £200 in compensation. I've not seen any further evidence about the additional costs A had so believe this is fair and reasonable.

Mr H wrote to appeal our investigator's decision. I've considered the comments in his letter of 14 October 2019. He asked why Santander didn't notice such unusual activity as the cash machine withdrawals were out of character for A. The key however was that the genuine card and PIN were used, so I wouldn't have expected Santander to have picked this up.

I've considered all the issues in this complaint. But overall I don't believe it would be fair and reasonable to ask Santander to do anything further.

My final decision

For the reasons I've given, my final decision is not to uphold A's complaint against Santander UK plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 26 June 2020.

Sandra Quinn
Ombudsman