

The complaint

Mr L has complained that Santander UK Plc did not make a payment to an electronic wallet provider for an app he was trying to set up and use.

What happened

Mr L holds a Basic Top-Up Debit Card with Santander. He tried to make a payment from his Santander account to an electronic wallet he'd set up with the Curve app. But this didn't go through. Curve said this was because there was a "do not honour" marker showing on Mr L's account when it requested the payment.

Santander said payments can be declined because of insufficient funds in the account but also said that Curve was trying to request a recurring payment and recurring payments aren't allowed from the type of account Mr L holds with Santander.

Our investigator considered the complaint and didn't think Santander had done anything wrong. She said it had acted in line with the terms and conditions of Mr L's account in declining the payment, and had offered Mr L £65 for poor service when he had to keep chasing Santander for a response, which she thought was fair.

Mr L disagreed and said one payment had gone through to his Curve app from a different account he holds with Santander, and he couldn't understand why another had been stopped. So the complaint has come to me for a 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've looked at the terms and conditions of Mr L's account with Santander. I can see that under the "Key Facts" section, it says there's no overdraft facility on the account and that if there are insufficient funds in the account, then requested payments won't be honoured.

It also says under "Other Important Information about your account" that the type of account Mr L holds doesn't allow recurring payments to be made from it. And we know from speaking to Curve that it was trying to request a recurring payment as that's its normal process once an initial verification payment has failed.

Mr L has said another payment he made to his Curve app went through from a different Santander account, and he doesn't understand why this payment was blocked when both the Santander accounts were of the same type.

I've seen a screenshot of Mr L's bank statement which shows a pending charge of 77p. But it looks as though this may have been an initial verification payment, which isn't actually taken from the account. And this was not requested by Curve as a recurring payment but as a one-off "Three-Domain-Secure" payment (also known as 3DS) – something Curve has said isn't unusual for the first time it tries to verify a new card for use with the app.

Curve has explained that when that initial 3DS verification fails, which is what happened here for reasons which aren't clear, Curve would then request a recurring payment from the card issuer. In this case, the card issuer, Santander, was unable to honour the recurring payment request as these aren't allowed from the account Mr L holds.

So I don't think Santander has done anything wrong in not sending the requested payment to Mr L's Curve wallet app. And I think it's acted in line with the terms and conditions of Mr L's account. I've also considered the £65 payment Santander has offered Mr L for poor service – and I think given the time Mr L spent pursuing his complaint and chasing Santander for a response, the amount offered is fair. It follows that I won't be asking Santander to do anything further.

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 L to accept or reject my decision before 12 October 2020.

Ifrah Malik
Ombudsman