

## **The complaint**

Miss S complains about how Santander UK Plc dealt with her chargeback.

## **What happened**

Miss S asked Santander in 2019 to raise a chargeback for £50 which was a deposit she paid in around May 2019 and says didn't receive the service she was expecting. She says the company she paid the money to acted fraudulently but Santander reversed the chargeback which caused her account to be overdrawn. Miss S says she has lost about £250 and has been caused financial hardship and stress as a result of Santander's actions. She would like compensation for what took place and says Santander shouldn't have ended the chargeback. Miss S also complains that Santander agreed a repayment plan but didn't keep to it and caused further financial difficulties.

Santander says the merchant defended the chargeback and provided copies of an agreement between it and Miss S which said she was outside time limits for receiving the deposit back. Santander also says it told Miss S it would be debiting the £50 from her account. It says it also refunded overdraft charges but hasn't agreed a repayment plan with Miss S.

Miss S brought her complaint to us and our investigator didn't uphold it. The investigator explained the chargeback process and thought Santander acted fairly by concluding it couldn't take it any further and that it told Miss S it would be debiting the £50. The investigator didn't think there was evidence of an agreement between Miss S and Santander.

Miss S doesn't accept that view.

## **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 have come to the overall view that Santander has dealt fairly with this complaint and I don't require it do anything further in the circumstances of it. I appreciate that Miss S will be disappointed by my decision and how strongly she feels about what took place between her and the business she paid the deposit to.

The chargeback scheme is a voluntary scheme run by the card providers and not, as in this case, Santander. The rules are not set by Santander and a chargeback is not a right, but we would normally accept a bank or building society to raise a chargeback if there are reasonable grounds for doing so. I'm satisfied that Santander did raise a chargeback for Miss S and credited her account with the disputed payment of £50 whilst it did so. The chargeback was defended by the merchant and it provided information to Santander which included a contract which said Miss S was outside the given time period for requesting a refund of the £50. So, I'm satisfied that Santander reasonably concluded that it couldn't proceed any further with the chargeback. I have also seen the e-mail exchanges between

Miss S and the merchant, and I think it clear Miss S told it that she was considering court proceedings and questioned if the merchant was misrepresenting its affiliation to a certain society. So, in those circumstances I'm satisfied such matters couldn't have resolved under the chargeback scheme in any event.

I can see from Santander's records that it told Miss S that it couldn't continue with the chargeback and also told her that it would debit her account with the £50. I'm satisfied that Santander made its position clear and gave Miss S time before it debited the money. I also think Santander made clear at the start of the chargeback process that it would debit the money if the chargeback was unsuccessful. So, I'm satisfied that Santander has been clear about what would happen if the chargeback was unsuccessful and didn't make a mistake by re-debiting the £50.

I appreciate that Miss S also complains about the charges applied to her account, but I accept that isn't the main part of her complaint. I can see that Santander has refunded a number of its charges, but I can't see any evidence on Santander's records or from Miss S about any formal agreement for the repayment of the debt. So, I can't fairly conclude Santander has acted unfairly by acting outside any agreement. I also can't see any evidence from either party about any incorrect adverse information being reported to the Credit Reference Agencies and so I again I can't fairly conclude a mistake has been made or that Santander has acted unfairly.

Overall, I'm satisfied Santander has dealt fairly with Miss S's main complaint about the chargeback and told her it would be debiting the disputed £50 from her account. I find it was Miss S's responsibility to make sure she had enough money in her account to avoid it becoming overdrawn and in any event, Santander fairly offered to refund the charge. I'm satisfied this brings an end to what we in trying to resolve this dispute informally can do, and can see that Miss S has said she is considering court action in any event.

### **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 S to accept or reject my decision before 12 December 2020.

David Singh  
**Ombudsman**