

The complaint

Mr M complains that Santander UK Plc declined three of his card payments when he had enough money in his bank account for the payments to be successful.

What happened

Mr M attempted to deposit £5 from his Santander current account to a third party company. The third party company told him that his deposit had been declined by his bank. Mr M attempted to make another payment of £5 to the third party company, but he said he received the same message. He then tried a third time to deposit £5 with the third party and once again received the same message. Mr M says that he had sufficient funds to make these deposits.

Mr M contacted Santander and explained what had happened. The call handler informed Mr M that Santander hadn't declined his transactions. The call handler explained to Mr M that as the payments had been requested by the third party company, then the payments are "withheld" and the amount is deducted from Mr M's available balance until either the third party claims this money (usually within a fortnight) or is not claimed and then will show on his available balance.

As Mr M had made three payments when he originally intended to make one payment of £5, the call handler offered to reverse the duplicate payments into Mr M's Santander account. Mr M asked why he couldn't refund all three and the call handler said because that payment Mr M had attempted to make wasn't a duplicate and it was what he originally wanted to deposit with the third party. Mr M told the call handler that either Santander or the third party were to blame and he wanted a complaint raised. Mr M also wanted compensation as £15 had been deducted from the available balance. The call handler explained that there would be only £5 showing as being deducted from his available balance as he had reversed the two duplicate payments.

Santander did not uphold Mr M's complaint. They said that they were not able to evidence any error which would justify Santander paying Mr M compensation. Mr M brought his complaint to our service. He sent us information from the third party which stated that all three of his £5 payments had been declined and he said Santander had lied to him.

Our investigator did not uphold Mr M's complaint. He said that all three payments in question were approved by Santander. Our investigator also said that the staff Mr M spoke to had relayed the information which was available to them so they acted fairly in what they told Mr M.

Mr M asked for an Ombudsman to review his complaint. He asked if Santander weren't to blame then why did they pay both the third party company and reverse the duplicate transactions. He also said he had similar problems with Santander before and they had upheld his complaints and paid him compensation, so it was clear that Santander were at fault and didn't want to accept it.

As my findings differed in some respects from our investigator's, I issued a provisional

decision to give both parties the opportunity to consider things further. This is set out below:

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

Mr M has made a number of points to this service and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I'll start off by saying that I can only look into the actions of Santander here and not the third party company. I know Mr M has sent us outcomes of other cases which he says have been similar to this one. But I can only look into the individual merits of this case and see if any errors have been made.

I'm not persuaded that Santander have made an error here. I say this as I have been provided with evidence from Santander, which I have asked our investigator to share with Mr M, which clearly shows the three transactions in question and a response of "approved". The transactions also have three unique authorisation codes. So I'm satisfied that Santander did approve the payments and that the payments weren't declined by Santander, as they would be showing as declined payments and not approved payments.

Next I've considered what Mr M has asked regarding why did Santander reverse the payments and pay the third party also if they weren't to blame. But I've seen no evidence that Santander paid both the third party and Mr M. I've listened to the call Mr M had with Santander where he raised the issue of the three transactions. The call handler explained to Mr M that when a payment is approved, it goes into withholdings for the company to take the money, but as Santander reversed two of these payments and these credited Mr M's account then this money won't have been paid to the third party and the money for the reversed transactions would be available straightaway for Mr M.

Santander explained on the phone that as Mr M had attempted to make the original payment then this wouldn't be reversed, but it would re-credit his account if the third party didn't claim it. This was also confirmed in the letter that the call handler sent Mr M where it says "the third payment is still pending collection. I advised you when the last payment amount would expire." So I'm not persuaded that Santander have paid both Mr M and the third party for the same transactions.

I've noted the strength of feeling that Mr M has that Santander have lied to him, but I'm satisfied that the call handler communicated to Mr M the information which was available to him. I've seen no evidence that the information the call handler told Mr M was incorrect. The call handler explains the situation to Mr M on the call and answers all of his questions. So I'm satisfied that Santander have not made an error for the reasons I've already given. So it follows that I don't intend to ask Santander to do anything further."

I invited both parties to let me have any further submissions before I reached a final Decision. Santander said they had nothing to add to the provisional decision. Mr M did not accept the provisional decision.

Mr M raised a number of points. In summary he said Santander had a reason to lie about the payments being approved as they would have to pay him compensation, Santander have paid him compensation for the same issue on recent complaints he has made, Santander clearly said on the telephone call that his deposits were showing as withholdings, so if this was the case then they have not been processed, but if the deposits failed in some way then the money should have stayed in his account instead of being returned to him with considerable delay, stress and frustration.

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.

In order to uphold this complaint, I would need to see that Santander's system hadn't worked as it should have done for the three deposits that Mr M attempted to make. As I mentioned in my provisional decision, I can only assess the actions of Santander here, and not the third party company. So although I've taken into account the evidence the third party company have provided, I can only rule if Santander have acted unfairly towards Mr M.

I've considered what Mr M has said about Santander having reason to lie as they would have to pay him compensation. But the screenshot I provided Mr M clearly shows that Santander approved the three payments in question. As Mr M has said they have recently paid him compensation for similar issues recently, I'm not persuaded that this would mean Santander would try and avoid paying him compensation if any error was made in this instance if they have paid him on similar issues. I'm satisfied the reason that they haven't paid any compensation on this occasion is because they have made no error.

I've thought about what Mr M has said about Santander clearly saying on the telephone that his payments were in withholdings and so this means that they haven't been processed. But as I explained in my provisional decision, the call handler explained to Mr M that when a payment is approved, it goes into withholdings for the company to take the money and it would re-credit his account if the third party didn't claim it. And the third party didn't claim the payment which wasn't reversed by Santander, so it re-credited his account. I can't hold Santander responsible for any delays or stress caused by a third party company not claiming the money. And even with deposits that have been successfully made to the third party company, the money would have gone into withholdings until the third party claimed the funds. So I'm satisfied Santander's system worked as it should have done in this instance as the payments were all showing as approved.

In summary, Mr M's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. I know Mr M will be disappointed with the decision, but I hope he understands my reasons.

My final decision

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 October 2021.

Gregory Sloanes
Ombudsman