

The complaint

Mrs R complains Santander UK Plc failed to assist her when she wanted to dispute a payment on her debit card for flights from an airline which were not provided. Mrs R is represented in her case by a family member, Mr R. When I refer to things said or done by Mrs R, this should be taken to mean things said or done by Mr R also, unless specified otherwise.

What happened

Mrs R purchased return flights with an airline ("J"), from an online travel agency ("O"), for her and her husband, flying out on 1 November 2019 and returning on 10 November 2019. She used her Santander debit card to pay O £1,062.98.

In the end, the flights didn't take place and J became insolvent in April 2019. Having tried unsuccessfully to obtain a refund from O, Mrs R approached Santander for assistance. Ultimately the bank said it couldn't help her because it was too late to obtain a refund for her through a chargeback. Mrs R complained about this decision and the complaint was subsequently referred to this service.

I issued a provisional decision on this complaint to both parties on 29 July 2022. I've summarised very briefly the key points below:

- At the point Mrs R contacted Santander for assistance it would have been possible for the bank to attempt a chargeback and have a reasonable prospect of this succeeding. Mrs R was "in time", met the other conditions set out in the rules set for chargebacks by the card scheme, and had a good case for a refund as she'd not received the services she'd paid for.
- Staff at a Santander branch had given Mrs R incorrect information in December 2019 about what she needed to do, specifically that she needed to go back again to O to obtain a refund when this wasn't required under the card scheme rules. This caused two months of delay, which was the most important contributing factor in it being too late for Santander to attempt a chargeback when Mrs R returned for assistance having been advised by O to contact her bank.
- Mrs R had been denied the opportunity to receive a refund via a chargeback due to Santander's error. It would be fair and reasonable for the bank to treat her as though it had successfully charged back the payment – in other words to refund her £1,062.98 plus compensatory interest calculated from 13 December 2019, which is when I concluded she had been given incorrect information in the branch.

I went on to observe that refunds could take a long time to be received from travel companies, and a long time had passed. So Santander could deduct any refunds Mrs R had received since, from any redress it had to pay her.

I invited all parties to comment on my provisional decision. Mrs R said she was happy with the provisional decision but did not say whether or not she had received any refunds from

elsewhere. Santander said that having read the provisional decision it would “...*settle the complaint on a non-precedent basis and reimburse the amount of £1,062.98 to include 8% simple interest.*”

The case has now been returned to me to review once again.

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.

Mrs R has accepted the provisional decision, while Santander has not explained if or why it disagrees with it. It has said only that it will settle the case.

The bank has suggested that it does not wish to set a precedent, so I think it is worth me mentioning that my findings in Mrs R's case have been very fact specific and I don't see how they would set a precedent. My provisional findings were based on what I think was most likely said during Mrs R's second visit to the branch. On balance, I think she was given incorrect information. Had the evidence and facts of the case been different, I might have come to a different conclusion.

In any event, because neither party has put forward any new evidence, comments or arguments for me to consider, I see no reason to depart from the findings set out in my provisional decision and summarised above.

My final decision

For the reasons explained above I uphold Mrs R's complaint and direct Santander UK Plc to do the following:

- Pay Mrs R £1,062.98, minus any refund she has received via any other route in respect of the cancelled flights.
- Pay 8% simple interest per year¹ on any refund, calculated from 13 December 2019 to the date the refund is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 8 September 2022.

Will Culley
Ombudsman

¹ If Santander UK Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs R how much it's taken off. It should also give Mrs R a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.