

## The complaint

Miss T complained because Santander UK plc credited her account with £170 when she said she'd paid £800 into a cash machine.

## What happened

On Sunday 11 April 2021, Miss T went to pay some money into her Santander account. She used the cash machine outside the closed branch.

Miss T said she put in £800 in cash, but that the machine jammed as soon as she'd put the money in. She could see the wad of cash which was jammed, and tried to pull it out, but couldn't.

The machine then asked her to confirm a deposit of £170, and Miss T pressed cancel. The machine returned £5 but nothing more.

Miss T took a photo of the error message on the machine, which said "Sorry we are unable to process your transaction."

She rang the phone number on the cash machine, and spoke to someone who said she'd be contacted. On the Monday morning, branch staff checked the machine, and then rang Miss T. Miss T told Santander what had happened, including that she'd then put her card in a second time, to see what the machine would do. And she said she'd then watched the next customer, who was also trying to deposit cash but hadn't been able to.

What Santander had found in the machine when it checked it on the Monday morning was £170 cash – which matched the message Miss T said she'd seen on the screen. Santander credited Miss T's account with £170. But it refused to credit her with the full £800 which she'd said she'd tried to pay in. This was because there had only been £170 in what's called the "purge box" in the machine, where unallocated cash goes. Santander also said the journal roll, which shows machine transactions, had shown that Miss T had only put her card in once, not twice as she'd said, and also that it had shown that the next customer had been making a withdrawal, not a deposit as Miss T had said.

Miss T complained. Santander didn't uphold her complaint. In its final response, it said the branch had completed a full investigation, and couldn't find any evidence that Miss T had tried to pay in £800. It had credited her with the £170 which was in the machine. It said that if Miss T had any further evidence to support her claim, she could get in touch again.

Miss T wasn't satisfied and contacted this service. She told our investigator that in January 2011, she'd sold her car. She'd then gone abroad for several months. The money she'd tried to pay in on 11 April was money from the car sale in January, which she'd kept aside for when she got back from abroad. She said that she'd asked Santander for CCTV but it wasn't available. Miss T said she was unemployed and asked for her complaint to be prioritised.

Our investigator issued two views. In the second one, she upheld Miss T's complaint because Santander hadn't provided us with the normal computer evidence we'd expect to

see in a disputed transaction case. It hadn't sent us a copy of the technical evidence – the journal roll; the surplus found in the machine's purge box; or evidence about any technical faults with the machine. So the investigator said Santander should refund Miss T with £625 plus interest. £625 was the difference between the £800 she'd said she'd paid in, less the £170 already credited and less the £5 which Miss T said the machine had returned. The investigator also thought Santander should pay Miss T £100 compensation for distress and inconvenience.

Santander didn't agree. It said that it only kept computer evidence such as journal rolls for three months. CCTV was also only kept for a short time, but Santander said that it had no record of Miss T ever having asked for CCTV. Santander sent a copy of its records which showed all the transactions on Miss T's account, but confirmed it no longer had the journal roll and other evidence. Santander asked for an ombudsman's decision.

## **My provisional findings**

I issued a provisional decision on this complaint. Before doing so, I considered all the available evidence and arguments to decide what would be fair and reasonable in the circumstances of this complaint.

### *Regulations*

In my provisional decision, I explained that there are regulations which govern the outcome of disputed transactions. The relevant ones for Miss T's complaint are the Payment Services Regulations 2017. Section 75 says:

*"Evidence on authentication and execution of payment transactions*

*75.—(1) Where a payment service user—*

- (a) denies having authorised an executed payment transaction; or*
- (b) claims that a payment transaction has not been correctly executed,*

*it is for the payment service provider to prove that the payment transaction was authenticated, accurately recorded, entered in the payment service provider's accounts and not affected by a technical breakdown or some other deficiency in the service provided by the payment service provider."*

This means that it's Santander's responsibility, as the "*payment service provider*" to provide the technical proof here. Santander had sent us a list of transactions on Miss T's account, but what I'd have needed was the journal roll, computer evidence about what was found in the purge box, evidence that the machine balanced, and evidence about any technical faults.

Santander had said that its staff looked at the computerised journal roll before reaching an outcome on Miss T's complaint. But it didn't keep these records. I realised that Santander may have its reasons for this, but the requirements of the Payment Services Regulations are very clear and say it's for the payment service provider to provide information to show the payment was correctly made.

I recognised that Santander may have had other concerns about Miss T's claim. It said the journal roll showed that Miss T hadn't put her card in twice, as she'd said, and that the next person hadn't tried to deposit money as she'd said. Santander also pointed out that Miss T's other transactions were principally by internet or phone – not large cash deposits. Miss T told our investigator that the money was the proceeds of a car sale before she went abroad

for a few months, which she'd kept for her return. But I found it strange that Miss T didn't pay it in to Santander for safekeeping before she went, and didn't try to do so until her return.

And although Miss T took a photo of a cash machine error message saying said "*Sorry we are unable to process your transaction*," this doesn't prove anything about the specific transaction.

There's a dispute about whether or not Miss T asked for CCTV – she said she did, and Santander said she didn't. But CCTV rarely shows what it's hoped to. Even if it had still been available, I think it's unlikely it would clearly have shown Miss T trying to pay in £800.

So I could understand why Santander wasn't willing to refund Miss T. But in my view, that wasn't a fair or reasonable decision when taking into account what the Payment Services Regulations require, and Santander's failure to provide the information to support its argument here. So I upheld Miss T's complaint about the outstanding £625 in dispute. I said that this meant I intended to order Santander to refund Miss T with £625, plus interest at 8% from 11 April 2021 to the date of payment.

But I said that I didn't agree with the investigator's intention also to award Miss T £100 compensation for distress and inconvenience. So I issued a provisional decision to enable both sides to comment before I issue my final decision.

My reason for not awarding compensation was that there was no significant delay by Santander in processing Miss T's complaint. The disputed transaction took place on a Sunday, 11 April, and the branch investigated and phoned her on Monday. The final response letter was issued on 21 April, when the standard maximum allowed for a response to a complaint is eight weeks. And there was nothing to show that the manner in which Santander responded to Miss T added any significant amounts of stress to the situation.

We're all inconvenienced at times in our day-to-day lives – and it's not unusual to experience a certain level of frustration and minor annoyance when dealing with financial businesses. But for us to make an award we'd need to see that the impact of a business's mistake was more than what someone would expect to experience in everyday life. So I wasn't persuaded that Santander dealt with Miss T in such a way that it should pay her compensation.

### **Responses to my provisional decision**

Miss T said that she was happy with the outcome.

Santander didn't reply to my provisional 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.

Having reconsidered the evidence, and in the light of the responses, I consider that my provisional decision was fair and reasonable.

### **My final decision**

My final decision is that I uphold this complaint, and I order Santander UK plc to:

- pay Miss T £625. This represents the £800 she said she'd paid into the cash machine, less the £170 credited and the £5 returned by the machine; and
- pay Miss T interest at 8% simple on £625 from 11 April 2021 to the date of payment.

I do not order Santander to pay Miss T any compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 7 October 2022.

Belinda Knight  
**Ombudsman**