

## **The complaint**

Ms C has complained Santander UK plc didn't refund money for fraudulent transactions made on her credit card.

## **What happened**

In December 2021 whilst she was at the gym, Ms C's locker was broken into and her belongings stolen. This included credit and debit cards as well as her mobile phone and personal belongings.

Shortly after this happened Ms C was able to call Santander and cancel her cards. She was told there were two transactions made on her debit card and a transaction made on her credit card had been rejected.

Santander refunded losses on Ms C's current account but didn't refund £1,150 along with a small transport cost charged to her credit card. Ms C brought her complaint to the ombudsman service.

Our investigator asked Santander to reconsider this situation and pay Ms C some compensation for their error. Santander agreed to refund the payments made and give Ms C £100 for the trouble caused.

Ms C felt this was inadequate compensation. Despite asking Santander to consider increasing the compensation to Ms C, Santander wouldn't do so. Ms C feels strongly Santander didn't deal with her case well and further compensation should be payable. She's asked an ombudsman to decide her complaint.

## **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 believe Santander should pay Ms C more and I'll explain why.

Firstly there's no doubt Mr C was a victim of a crime. This must have been distressing. And whilst this isn't in itself Santander's fault, it is clear to me they made errors at the time this occurred which I believe added to Ms C's distress.

Santander provided incorrect information to Ms C at the time she notified them of her debit and credit cards being stolen. They told her they'd rejected a credit card transaction for £1.150.

In fact this wasn't the case and Ms C's credit card was debited this amount. To all intents and purposes this was the only transaction on Ms C's Santander credit card account just before Christmas last year. Despite refunding money to her current account, it took Santander eight months to correct their error and refund money to Ms C's credit card account (I'm presuming this has now been done). This is contrary to the Payment Services Regulations which requires banks to refund customers who've been a victim of fraud

promptly.

Santander has offered £100 compensation to Ms C which they believe is in line with what is usual in these types of cases. They don't dispute a mistake was made.

### **Putting things right**

I believe compensation of £250 will be fairer. I say this because of the difficulty Ms C had in getting Santander to sort things out. This should have been a fairly straightforward case where Ms C had been a victim of fraud and needed reimbursing and this was done. I don't really understand why this wasn't the case here.

This fraud happened on Ms C's credit card so either Ms C paid upfront to settle a debt that wasn't hers or this remained outstanding on her credit card account over a period of months and attracted interest. This won't have had an adverse impact on her credit record but if Ms C is someone who normally pays in full, I can understand why she would have been additionally distressed.

I'm asking Santander to pay Ms C £250 compensation for the distress caused in not refunding her for fraudulent transactions.

I'm satisfied that Santander has already had an opportunity to provide comments about this type of compensation when our investigator first raised this with them.

### **My final decision**

For the reasons I've given, my final decision is to instruct Santander UK plc to:

- Refund Ms C's credit card for the two disputed transactions of £1,150 and £5.80, if not been done already;
- Rework Ms C's credit card account to ensure no fees or charges have accrued because of those two transactions;
- If Ms C repaid £1,155.80 to her credit card account when payment was due on 16 February 2022, add 8% simple interest a year to that amount from the date she paid until the date of settlement; and
- Pay Ms C £250 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 21 November 2022.

Sandra Quinn  
**Ombudsman**