

The complaint

Mrs A complains that Santander UK Plc failed to provide adequate customer service and allowed a fraudulent transaction to take place on her account.

What happened

Mrs A and her husband were on holiday when she noticed an unusual payment had been made from her current account. Mrs A was in a foreign country that had a significant time difference to the UK.

She'd attempted to report this transaction but couldn't get through to Santander and eventually contacted them via a "chat" service. During the chat, Mrs A wanted to speak with the fraud team, but this wasn't possible at the time.

Mrs A was given an international number she should call to contact the fraud team and was told that they don't make outgoing calls. Mrs A's card was blocked during the chat to prevent any other unauthorised use of it.

Mrs A raised a complaint about how she'd been dealt with and the lack of support concerning the fraudulent transaction. Mrs A wanted to know how it had been authorised because the payment was for a "quasi cash" purchase which she'd never used before. Mrs A was also concerned because she'd notified her local branch that she would be away on holiday so couldn't understand why such a payment had been allowed to leave her account.

Mrs A didn't hear anything back until about four days after making her complaint and various emails and secure messages were exchanged between the parties. Santander attempted to call Mrs A whilst abroad on a couple of occasions but weren't able to arrange a suitable time to discuss the situation.

Santander refunded the disputed transaction and sent a replacement card. They wrote to Mrs A about her complaint. She was unhappy with how Santander had dealt with her and felt they lacked empathy and had failed to assist her when she was abroad with her husband. Mrs A then brought her complaint to the Financial Ombudsman Service for an independent review of her issue.

Her complaint was looked into by one of our investigators who asked for evidence from both parties. Mrs A supplied multiple documents supporting her assertion that Santander had let her down. She also supplied copies of emails and assessments of how Santander had handled her complaint.

Santander provided details of the disputed transaction and copies of correspondence between themselves and Mrs A.

After considering the evidence, the investigator felt that Santander could have handled their communications with Mrs A better when she first notified them about the disputed transaction and recommended an award of £100.

Santander accepted the report, but Mrs A did not. She believed that Santander had been the cause of worry and stress to her whilst she was on holiday with her husband. She thought the compensation award should be about £500.

No agreement could be reached so the complaint has now been passed to me for a 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.

I don't think there's any disagreement about the disputed transaction here. Both parties accept that Mrs A didn't authorise the payment that left her account and as Santander later refunded it, I no longer need to consider that particular aspect.

Mrs A wanted to understand how the transaction had left her account and why Santander hadn't stopped it. Their records indicate that two different payments were attempted from the same merchant and one was blocked whilst the other was successful. This payment was made using Mrs A's card details and appears to be a "card not present" transaction. So, it looks as though an unidentified third party had obtained the necessary details in order to make this transaction.

I don't think it's likely that Mrs A will ever find out how her details were compromised as there are many ways for them to be obtained. But, once the correct details were used to make the transaction, Santander's system recognised them and sent the payment from Mrs A's account. That's because it would appear to Santander as a genuine request for a payment to be made from the card. A second attempt to use her card with the same merchant was blocked by Santander's fraud detection system. I appreciate Mrs A thought that Santander were at fault for allowing the payment to be made because she's never made that particular type of payment before. But here I don't think it's reasonable for Santander to anticipate what someone will use their card for in the future.

Mrs A believed that her notice to Santander about being away on holiday should have helped prevent this type of transaction to pass through her account. My understanding of the notice was that it meant that Santander were less likely to intervene in transactions within the country they were travelling to, rather than to add a different layer of security to her account. I understand Mrs A's point about this, but Santander's approach to the notice to travel was intended to give her less problems whilst on holiday rather than change how they were assessing other types of payments.

I've read through all the submissions provided by both parties and it's apparent that when Mrs A first got through on the "chat" that Santander blocked her card to prevent any further losses to her account. They weren't in a position to give Mrs A another card whilst she was abroad, but a new one was requested for when she returned. I don't think these actions were unreasonable, but I do think that Mrs A's particular situation wasn't completely understood by Santander. I appreciate the process that Santander have to report fraud, but I do think that they could have contacted Mrs A sooner than they did to alleviate her worries about what might have happened to her funds.

It was three to four days before Mrs A heard anything and whilst there was no further impact on her account, Santander could have reduced Mrs A's worries if they'd contacted her sooner and explained what was happening. It's clear that Mrs A was frustrated by Santander's approach and she spent considerable time trying to find out about the unrecognised transactions and the security on her account.

I think it's worth mentioning here that the unrecognised transaction was caused by an unidentified third party who stole money from Mrs A's account. Santander accepted that she hadn't made the transaction and refunded it, effectively accepting the loss themselves. Santander's actions were fairly typical in what I'd expect to see in such a situation, but I accept they could have communicated better with Mrs A.

Mrs A wanted a more substantial payment for how Santander treated her, but I don't think that's warranted. Mrs A's account was protected as soon as she reported it and a new card was ordered, which I understand was delivered and available for Mrs A when she finished her trip. I don't think that Santander could have reasonably done anything more with her account and her replacement card. But as I've mentioned, I think they could have improved how they dealt with Mrs A's concerns and understood her particular situation as it was no doubt worrying for her when she was so far from home. I think the investigator's recommendation of a payment of £100 is both a fair and reasonable payment to address the impact of Santander's lack of service following the disputed transaction.

Putting things right

In order to settle this complaint, Santander should now pay Mrs A £100 for the distress and inconvenience caused by their handling of this situation.

My final decision

My final decision is that I uphold this complaint against Santander UK Plc and they're instructed to settle the complaint as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 6 January 2023.

David Perry
Ombudsman