

The complaint

Mr R complains that Santander UK Plc didn't do enough to help him when he disputed a payment from his account.

What happened

Mr R says he didn't make a payment of £4,275 from his account on 4 January 2022. He raised this with Santander and confirmed he hadn't made the payment. He was unhappy when a temporary credit of the payment was reversed, and Santander wouldn't listen to his explanation of why the payment had nothing to do with him.

Santander issued a final response to the complaint saying that it had contacted the 'payment provider' [anonymised here] that had processed the payment and it had provided details of the transaction. Santander said that without further documentation to confirm that the payment wasn't associated with Mr R's own account with that payment provider it wouldn't be able to review the complaint. And it provided referral rights to this service.

Our investigator recommended that the complaint be upheld, and Mr R be refunded the money and paid eight per cent simple interest. She'd contacted the payment provider and it said that this payment wasn't related to an account that matched Mr R's details. Mr R also provided details of his own account.

Santander said it agreed to refund the money and that the balance was refunded on 25 November 2022 and simple interest for the period from 21 February 2022 to the date of refund paid on 8 December 2022.

Mr R said that he wanted compensation for the treatment by Santander and the hardship and stress caused. He said that Santander had treated him like a criminal and needed to be held accountable and provide an apology. It had only written to him twice and had withdrawn the money with no notification. He was a loyal customer who had been deprived of a significant sum and this was 'shocking treatment'.

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.

The payment in dispute has now been refunded and so I don't need to decide on the question of whether it was authorised. I wouldn't have necessarily expected Santander to write to Mr R about the refund as this followed a view from our investigator.

I will though look at the process it went through and how it dealt with Mr R. Regrettably although I can see that our investigator had asked for call recordings these aren't available and there seem to be limited case notes.

Mr R disputed this payment and Santander raised a chargeback request to the payment provider and made a temporary credit to his account. That payment provider provided

information about how the payment was made, including some personal information about Mr R and a copy of an invoice for the item and that it was collected. Mr R was asked to sign a statement of rebuttal having seen this and which he did on 28 January 2022.

Santander took the view that there were insufficient grounds to continue the chargeback. It's provided a copy of a letter it says it sent to Mr R about this on 4 February 2022 setting out that the amount involved would be taken from his account in 14 days. The payment was taken back on 21 February 2022.

Mr R had subsequent discussions with Santander. He disputed collecting the item involved from the seller or signing a form at that time. Santander says that it didn't have a basis to request more information from the payment provider. And it asked Mr R to provide evidence that the payment wasn't linked to his own account at the payment provider. It records that he was unhappy that he would have to do this. And so, it declined his complaint.

Mr R told this service about information that he'd been given by the payment provider. And that the payment had been one directly from his debit card to the account of the seller held with the payment provider. And that there was no such transaction showing on his own account held there. Our investigator made a third-party request to that payment provider as part of her investigation, and this supported what Mr R said.

The chargeback process is part of an industry scheme and is one way of dealing with payment disputes. The outcome of any dispute would be decided on by the card issuer and not Santander here. Following the submission of the request there had been a response including information from the seller. The next stage would be rebuttal and it was a matter for Santander to decide whether to pursue this based on the information. However, if it didn't then that still meant it had to decide whether Mr R had authorised this payment taking into account the Payment Services Regulations 2017.

I don't think it was unreasonable for it to ask Mr R to provide information to support that and I don't see that he did. And that's especially as he had access to his payment provider account and said he had spoken to that business. The nature of this payment as he describes wasn't evident from the chargeback response. And the seller hadn't provided a copy of a payment request or invoice for someone who wasn't going to be using a payment provider account. That information also didn't deal with the issue of someone collecting an item paid for with what is now understood to be a card not present transaction or show the email address that had been used by the person impersonating Mr R.

I consider that this together with the information now provided through our investigation has led to the refund by Santander.

I take into account that complaint handling isn't a separate regulated process. And also, that the reason why Mr R was initially distressed and inconvenienced was down to the actions of the fraudster who had somehow obtained and misused his details. The refund and interest from Santander has compensated him for his initial loss and also for being deprived of a significant amount of money. We don't always make further awards of compensation and while ideally this would have been resolved earlier I've set out the process Santander followed and that it then provided referral rights to this service and invited Mr R to provide any further information. So, while I don't doubt his frustration and worry at being the victim of fraud and this not being recognised until now I don't consider on balance that Santander needs to do anything more than it has already done to resolve this complaint.

My final decision

My decision is that I uphold this complaint and require Santander UK Plc to refund £4,275 to

Mr R and pay him simple interest at eight per cent per annum from 21 February 2022 to the date of settlement and as I understand it has now already done.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 March 2023.

Michael Crewe
Ombudsman