

## **The complaint**

Mrs C complains that Santander UK Plc didn't do enough to protect her from the financial harm caused by a scam, or to help her recover the money once she'd reported the scam.

## **What happened**

On 19 May 2022, Mrs C booked a holiday for herself and four family members to a destination outside of the UK. The booking was made with a company I'll refer to as "L" and the agreement was for her to pay for the holiday in instalments. On 10 June 2022, she contacted L and made the second instalment over the phone using a debit card connected to her Santander account.

Unfortunately, Mrs C later discovered that L hadn't received the payment and that she'd actually paid another merchant, which I'll refer to as "M". She contacted Santander and raised a scam claim, which it declined stating she'd made the payment herself, so she'd authorised the payment. It also said she'd failed to complete her own due diligence.

Mrs C complained to Santander about its decision to decline the scam claim but it maintained its position. However, it agreed to raise a chargeback dispute with M, giving her a temporary refund of the payment pending the outcome the dispute.

On 12 August 2022, Santander wrote to Mrs C asking for more information because M had defended the claim and produced evidence of a flight booking in her name. When it didn't receive a response, it withdrew the chargeback claim and took back the provisional payment.

Mrs C complained to Santander about the fact it had declined her fraud claim. She also complained about the fact the provisional payment was debited from her account without notice, which had taken her account into overdraft.

Santander maintained Mrs C had authorised the transaction. It said it had asked for information to refute the evidence presented by M in response to the chargeback request and it had advised her that if it didn't receive a response within 14 days, the provisional payment would be debited from her account.

Mrs C wasn't satisfied and so she complained to this service explaining that Santander took the provisional payment back without notice, leaving her account overdrawn by £1,600. She said the situation was very stressful as it left her unable to pay bills and she had no money to get to work. She also said Santander had asked her to pay interest on the overdraft. She said she wanted it to refund the money because it was taken without her consent, and that it was obvious she'd been scammed so it shouldn't have withdrawn the chargeback claim.

## **My provisional findings**

I was persuaded Mrs C was most likely the victim of a scam because she isn't a named passenger on the disputed booking, there's no evidence she's linked to any of the named

passengers, and the email address on the booking doesn't include her name or match the email address she uses to communicate with this service.

Mrs C had produced evidence that she booked a genuine holiday to a destination outside of the UK on 19 May 2022 and that the second instalment was due on 10 June 2022. She believes that when she contacted L to make the second instalment, she was unknowingly communicating with scammers to whom she provided her card details which were then used to fraudulently to pay for flights another destination. I was satisfied she was consistent in her account that she had intended to pay the second instalment to L, not M, and that she didn't know about or use the disputed flight booking.

Based on this evidence and Mrs C's account of what happened. I was satisfied, on balance, that her card details were used to fraudulently pay for the disputed booking.

### *Prevention*

As I was satisfied the disputed payment was made to a scam, I thought about whether Santander could have done more to prevent the scam from occurring altogether. Santander ought to fairly and reasonably be alert to fraud and scams, so I needed to consider whether it ought to have intervened to warn Mrs C when she tried to make the payment. If there are unusual or suspicious payments on an account, I'd expect it to intervene with a view to protecting Mrs C from financial harm due to fraud.

The payment didn't flag as suspicious on Santander's systems. I considered the nature of the payment in the context of whether it was unusual or uncharacteristic of how Mrs C normally ran her account and I didn't think it was. It was to a legitimate business and it was low value, so I didn't think Santander missed an opportunity to intervene. Because of this, even though I accepted Mrs C was the victim of a scam, I didn't think Santander could have done anything to prevent her loss and I was satisfied it's decision not to refund the money she lost to the scam was fair.

### *Chargeback*

Having decided Mrs C probably was scammed, I reviewed the circumstances surrounding the chargeback dispute.

Santander raised a chargeback dispute against M when Mrs C told it she'd been scammed and it defended the claim, producing evidence of a flight booking. It wrote to Mrs C on 12 August 2022 to tell her M had defended the claim asking for more information within 14 days. And it closed the claim and took back the provisional payment when it didn't receive a response.

Notwithstanding the fact I accepted the payment for the disputed booking was taken fraudulently, I remained satisfied that Santander's efforts to obtain further information were reasonable and I didn't think it was unreasonable for it to have withdrawn the claim when it didn't receive a response.

In any event, its only possible to make a chargeback claim to the merchant that received the disputed payments and as M was able to produce evidence of a flight booking, the chargeback was destined to fail. Mrs C had said that Santander had enough information to have progressed the claim, but as M had shown evidence of a flight booking, I was satisfied its conclusion that there was no reasonable prospect of a successful chargeback was fair.

Mrs C had also said she didn't receive the letter dated 12 August 2022, but Santander had shown that a letter was sent to Mrs C's correct address and I was satisfied there was nothing further it could reasonably have done to seek the information it needed to pursue the claim.

Finally, I accepted Mrs C's account was left in overdraft when Santander debited the provisional payment from her account, but the letters dated 12 July 2022 and 12 August 2022 made it clear that the provisional payment would be taken back if the claim was unsuccessful, and I didn't think there was anything else it could reasonably have done to put Mrs C on notice that the funds would be debited from her account. So I didn't think it was responsible for the fact Mrs C's account was in overdraft when it took back the provisional payment.

## **Developments**

Santander has indicated that it agrees with the findings in my provisional decision, but Mrs C hasn't provided a response.

## **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.

Because neither party has made any further comments or submitted any additional evidence for me to consider, the findings in my final decision will be the same as the findings in my provisional decision.

## **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 6 March 2024.

Carolyn Bonnell  
**Ombudsman**