

## The complaint

Miss C has complained about how Santander UK Plc responded to a claim for money back in relation to a purchase she'd made on her debit card.

## What happened

The circumstances of the complaint are well known so I'm not going to go over everything again in detail. But to summarise, Miss C placed an order with a merchant for goods on 8 January 2023. The goods cost around £2,100 and Miss C paid for them using her Santander debit card. The merchant said the goods were delivered the following day, but Miss C said she didn't receive them. She said the photo the courier took of the parcel outside the house was for a different door number. And that the merchant admitted it delivered to another address. Miss C said she tried to sort things out with the merchant, but it didn't help, so she contacted Santander to put in a claim.

Santander raised the chargeback for Miss C, but it was defended by the merchant. Santander wrote to Miss C on 21 February 2023 and provided the merchant's response. It asked Miss C to answer the questions raised by the merchant and requested a rebuttal of the merchant's explanation. It also wanted confirmation Miss C still hadn't received the goods and any other information which may have been useful. Santander supplied a prepaid envelope and asked Miss C to return the information within two weeks. It said if it didn't receive a response, it would close the dispute.

Santander said it didn't receive a response within the timescale allowed for it to pursue the chargeback further. Miss C said she didn't receive Santander's request and complained because she'd gone past the deadline. Santander sent a final response saying the dispute conditions for chargeback were set by the relevant card scheme. It said Miss C no longer had any chargeback rights. It did award her £100 because it incorrectly told her she could resend the disclaimer it had requested but it didn't change its position on the chargeback.

Miss C referred her complaint to the Financial Ombudsman. She requested a refund. She also said she was only able to submit one piece of evidence for the original claim on the online form because she was having problems uploading more. She didn't realise the temporary refund Santander gave her was not its final answer. She said she didn't hear from it, and it was only when it re-debited her account that she contacted it.

Our investigator didn't make any recommendations. She said Santander had followed the time limits set by the card scheme. She acknowledged Miss C said she didn't receive Santander's request for a rebuttal, but the letters were correctly addressed, and she thought they'd been sent. Our investigator also said Santander had acknowledged it provided wrong information about reviewing the claim again, but by that point it was already too late for that to happen. She thought the £100 offer was fair.

Miss C didn't agree. She reiterated she'd not received Santander's letter, and that there were postal strikes around that time. She said the £100 hadn't compensated her and said considering how detrimental Santander's mistake was she thought the outcome was unfair. She said Santander had an opportunity to resend the letter, but it didn't.

As things weren't resolved, the complaint has been passed to me to decide.

### **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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Miss C and Santander that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

What I need to consider is whether Santander – as a provider of financial services – has acted fairly and reasonably in the way it handled Miss C's request for getting money back. It's important to note Santander isn't the supplier. I've gone on to think about the specific card protections that are available. In situations like this, Santander can consider raising a chargeback.

The chargeback process provides a way for a card issuer to ask for a payment to be refunded in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme. It's not a guaranteed way of getting money back.

While it's good practice for a card issuer to attempt to chargeback where certain conditions are met and there's some prospect of success, there are grounds or dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. And something going wrong with a merchant won't always lead to a successful claim.

Santander raised the dispute for Miss C originally. I think this was fair of it. The merchant defended the chargeback and supplied evidence. Santander sent this to Miss C and asked for her rebuttal. The next stage of the chargeback process would have been for Santander to take the case to pre-arbitration. But the relevant card scheme says an arbitration case must be filed within 45 calendar days of the second presentment (the merchant's response). Miss C didn't respond within that timescale, and so the claim fell out of time.

While I appreciate Miss C said she didn't receive the letter, on balance, I think it was sent. I therefore don't find I have the grounds to say that Santander caused the claim to fall outside of the relevant time limit. I therefore don't think Santander's ultimate answer to the claim was unfair. As I said above, something going wrong with a merchant won't always lead to a successful claim. Chargeback is strictly decided by the card scheme rules, and isn't part of the law, unlike claims brought under section 75 of the Consumer Credit Act 1974. Taking all this into account, it wouldn't be fair to hold Santander liable for the loss where it has no liability. While I know she'll be disappointed, Miss C may wish to contact the merchant again or decide whether she wants to pursue the claim by other means, such as through the courts.

Finally, it doesn't seem to be in dispute Santander gave Miss C incorrect information about it reviewing the claim again. But like our investigator pointed out, I think it was too late by this point for the claim to have had any prospect of success. It paid Miss C £100 compensation. I imagine it must have been frustrating for Miss C to be given wrong information. While I appreciate it doesn't go near to what she's requested, I think the compensation offer is fair in the circumstances.

I understand this amount has already been paid, so I make no further directions.

**My final decision**

My final decision is that Santander UK Plc has done enough to put things right. I make no further directions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 3 April 2024.

Simon Wingfield  
**Ombudsman**