

The complaint

Mr R complains about the way Santander UK Plc dealt with a chargeback claim he made.

Background

I recently issued my provisional conclusions setting out the events leading up to this complaint and how I thought the dispute should be resolved. I've reproduced my provisional findings below, which form part of this final decision.

What happened

Mr R used his Santander debit card to pay for a mobile phone that his then partner "P" ordered with a third party online retailer "A". Mr R subsequently contacted Santander to say that he hadn't received the phone, and that A's courier had instead delivered an empty box. He sent the bank photos in support of his claim, and said he could also supply a witness statement from his neighbour who was present at the delivery.

On 25 May 2022, Santander raised a claim on Mr R's behalf through the card scheme chargeback process, applying a temporary credit to his account. However, the claim was defended by A, who supplied its own evidence in relation to the delivery. Santander redebited Mr R's account on 29 August 2022, telling him that it couldn't take his claim further.

Mr R was unhappy with this and complained. He was unhappy that Santander hadn't sought further evidence from him to pursue the claim or provided a copy of A's evidence. In response Santander told Mr R it wasn't always possible to do so, but that the decision to decline the claim had been taken at the chargeback arbitration stage. It said it hadn't made any error in its handling of the claim and didn't uphold Mr R's complaint.

Our investigator didn't think Mr R's complaint should be upheld. She felt it was reasonable for Santander to have accepted the evidence A had supplied – which included photos of the properly packaged parcel on Mr R's doorstep. The investigator didn't think that any further evidence Mr R might have submitted had he been given the opportunity to do so would have led to a different claim outcome.

Mr R didn't accept our investigator's conclusions and has asked for this review.

What I provisionally 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 can understand why Mr R feels Santander didn't handle his claim fairly. Generally, where a chargeback is defended by a merchant, as here, it's reasonable to expect that the card issuer will inform the cardholder in a timely way. There's nothing in the card scheme rules that obliged Santander to share A's submissions with Mr R, but there's nothing to prevent that either. As a matter of good practice, I would at least have expected Santander to keep

Mr R informed about the progress of his claim, which includes telling him that A had responded.

Santander didn't do so until 29 August, despite the fact that A's submission is dated 1 July, nearly two months before. And when Santander did contact Mr R, it was to tell him that the chargeback process was at an end. It doesn't strike me as entirely fair to delay notification in this way, particularly given the strict timescales that apply in the card scheme rules. I can see that it would have been distressing for Mr R to discover the outcome of his claim without the opportunity to make further submissions.

That doesn't mean the outcome would have been different had Santander contacted Mr R sooner. The evidence A supplied – which has now been shared with Mr R – isn't absolutely legible, but there's enough in it to suggest that a valid defence was made to the claim. And a card issuer doesn't automatically adopt liability to a card holder for the value of a chargeback claim simply because it could have done a better job of communicating. Fundamentally, the claim for non-receipt of goods is against A. In my view the evidence is such that that claim is more appropriately resolved between Mr R, P and A, rather than by Santander.

Nevertheless, I do think the bank should recognise that its handling of the claim could have been better, and that Mr R was caused some distress and inconvenience as a result. While I don't consider it appropriate for the bank to address any loss alleged by Mr R, I'm minded to require it to pay him £150 compensation in this respect.

I invited both parties to let me have any further comments they wished to make in response to my provisional conclusions.

Response to my provisional findings

Santander accepted my provisional findings. But Mr R did not. He maintained that the evidence he'd provided (and was willing to provide via his neighbour) ought to be enough for the chargeback dispute to be resolved in his favour. He questioned the evidence provided by A as being insufficient. And he said Santander's failure to give him the right of appeal or provide A's submissions at an earlier stage meant I should find in his favour.

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've considered what Mr R said in response to my provisional decision. It doesn't really amount to anything that he hasn't already said, or that I didn't take into account in my provisional decision. I see no reason to change my provisional findings and so I adopt them in full in this final decision.

For the reasons I've already set out, I don't think the conflict of evidence between Mr R and A is best resolved by making Santander liable for the loss Mr R says he suffered. That dispute is in my view something that a court might be better placed to determine, involving as it does allegations against parties who aren't participants in this dispute but may be in a position to adduce evidence that speaks to the merits of the mobile phone dispute, rather than an act or omission by Santander in its handling of Mr R's claim.

As I've said, I think the bank could have done a better job of corresponding with Mr R in respect of the dispute. I'm satisfied that my proposed award of £150 in recognition of the distress and inconvenience this caused Mr R is appropriate in all the circumstances.

My final decision

My final decision is that to settle Mr R's complaint, Santander UK Plc must pay Mr R £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 December 2023.

Niall Taylor
Ombudsman