

## **The complaint**

Mr S complains about Santander UK Plc's handling of his claim to recover the cost of goods he says he didn't receive.

## **What happened**

Mr S asked Santander UK Plc ('Santander') to help him recover the cost of two payments he'd made in respect of grocery shopping he says were not received.

Santander considered matters under the chargeback process. It credited the cost of both payments - £149.01 as well as £255.80. It seems that the dispute it raised for the first payment was not contested by the supplier, but the second was on the basis that the goods had been supplied to Mr S. As a result, £255.80 was debited again from Mr S' account.

Santander declined to help Mr S further because it didn't think his claim had a reasonable prospect of success given the supplier had provided evidence of delivery. It also didn't think that Mr S had a valid claim under Section 75 of the Consumer Credit Act 1974 ('S75'), because the items Mr S claims to have not received didn't fall within the monetary limits imposed by the Act.

Mr S raised a complaint with Santander about how it had handled his claims. Over a number of responses, Santander thought that it had handled matters fairly, but it paid Mr S £25 for not explaining the monetary limits imposed by S75 at the first opportunity.

Mr S referred the matter to this service. He said that he'd refused the delivery in question on his doorstep and that whilst Santander had said the transaction was valid, it hadn't explained why.

Our investigator found that Santander had handled Mr S' chargeback claim fairly on the basis that it wouldn't have had a reasonable prospect of success if it had been pursued. They also found that whilst the total cost of the transaction Mr S disputed was over the lower limit of £100 imposed by S75, the cost of each individual item was not. They found that the required criteria for an S75 claim hadn't been met, and said that Santander had reached a fair outcome overall.

Mr S disagreed. He said that Santander was required to investigate his claim regardless of whether it thought it would have a prospect of success. He also said that his claim wasn't that he hadn't received the goods, rather, that he hadn't received what he ordered and had then rejected the substituted goods, in line with the supplier's policies. Lastly, he said that Santander hadn't provided a copy of the evidence provided by the supplier in defence of his chargeback claim, despite asking for it.

Our investigator maintained that Santander had handled Mr S' chargeback claim fairly, taking into account the specific chargeback rules issued by the scheme administrator. They said that Santander was not required to take matters further under the scheme, and acted reasonably by declining to do so in this case. Mr S asked for an ombudsman's decision on the case.

The case has been passed to me to decide what should happen.

### **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.

From what he's said, it's clear that Mr S feels strongly that he shouldn't be charged for goods he says he didn't receive. Santander isn't the supplier of those goods, rather it provided Mr S with financial services which he used to pay for them. My decision will focus on whether Santander handled Mr S' claim for a refund fairly, taking that into account. In doing so, I'll also take into account any requirements, obligations or expectations Santander may have had under S75 and chargeback.

### **Chargeback**

The chargeback scheme is a way in which Santander can help Mr S recover the cost of a payment made using his account. There are very specific rules set by the card scheme which set out the limited circumstances under which a chargeback can be attempted. It's a voluntary scheme and there's no guarantee that Mr S would get a refund if one were attempted.

Santander isn't obliged to attempt a chargeback if Mr S requests one, particularly if it doesn't consider that there would be a reasonable prospect of success. In this case, it seems that Santander attempted to chargeback two payments Mr S made for groceries to be delivered to him on the basis that he hadn't received the goods. The first was successfully refunded as it wasn't challenged by the supplier.

The claim in relation to the second transaction is the one Mr S disputes. I've seen a copy of his order with the supplier in relation to it. The document, dated 3 June 2023, shows that the supplier wasn't able to provide some of the items Mr S had asked for, and it said it would provide an alternative. The order confirmation says that Mr S could hand those items back to the driver for a refund if he wanted to. I understand that's what Mr S says he did, and that's the reason he asked Santander to dispute the transaction when he contacted it on 20 June 2023.

I've seen that Santander subsequently attempted a chargeback. I've also seen that the chargeback was defended by the supplier on the basis that the goods had been delivered to Mr S. It was accompanied by system records which it seems the supplier believed supported that.

Whilst Mr S disputes that's the case, I think it's fair to say that he hadn't provided Santander with persuasive evidence which demonstrates otherwise. For example, he hasn't provided a receipt or documentary evidence to show that he refused or returned the goods. I acknowledge that Mr S has provided an email from the supplier dated 23 June 2023 which acknowledges that an order has been cancelled and he'll get a refund. It doesn't say which order or why though. So I don't think it usefully adds anything here.

Overall, I think it's clear that Mr S has a dispute with the supplier. Both have differing accounts of what happened. Taking into account that supplier defended Santander's chargeback and provided records showing the delivery was made successfully, I agree Santander likely would've had little prospect of success with a chargeback if it had pursued one. As a result, I find that Santander handled Mr S' chargeback claim fairly and I don't require it to take further action in relation to it.

I've also considered the service issues Mr S says he encountered in relation to his chargeback claim. Like our investigator, I agree that there was no obligation for Santander to pursue the chargeback nor share the evidence it had been provided to Mr S. I also think it gave an adequate explanation as to why it wouldn't pursue matters further. I note that it took Santander several months from Mr S' original claim to issue its final response. However, taking into account the complexities behind the chargeback process, and knowing that Santander and Mr S corresponded a number of times regarding evidence, I don't think I could fairly say that delays were caused sufficient to warrant compensation being paid.

### Section 75

S75 says, in certain circumstances, the finance provider is legally answerable for any misrepresentation or breach of contract by the supplier.

In order to have a valid claim under S75, certain requirements need to be met. One of those requirements is that the claim must relate to a single item to which the supplier has attached a cash price of over £100 but not more than £30,000.

Mr S' claim relates to a purchase made up of a number of different items. His agreement shows clearly that all of those items had a cash price of less than £100. So, whilst the total cost of the purchase may have exceeded £100, the single item price of the goods Mr S purchased does not.

Given the above, I'm satisfied that Mr S' claim does not meet S75 requirements. So, I think Santander acted fairly by declining his claim.

Lastly, I note that Mr S has asserted that he was initially told during a telephone call that he'd be able to make a claim under S75, and was subsequently told this was not the case. From what it's said I think Santander accepts it could've told Mr S his claim didn't meet the required criteria at the outset. It paid Mr S £25 compensation for the trouble caused.

Taking into account that I've seen Santander ultimately told Mr S the correct information within a week, I don't find it necessary to pay further compensation for any trouble caused – I think what it's already paid is sufficient in the circumstances.

### **My final decision**

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 March 2024.

Stephen Trapp  
**Ombudsman**