

The complaint

Mr B has complained about how Santander UK Plc handled his chargeback claim.

What happened

Mr B paid £178.20 for a hotel stay, using his Santander card. However, he's explained that when he arrived, the heating wasn't working and the room was cold. Further, there was no hot water. The hotel explained the boiler wasn't working, and gave him a pass to use showers at a gym, which was located around five minutes walk from the hotel.

The hotel agreed that there had been problems with the boiler, and acknowledged that Mr B had been inconvenienced. But Santander didn't think it had grounds to raise a chargeback dispute. Mr B brought his complaint to our service.

One of our investigators looked into what had happened, but didn't recommend that the complaint should be upheld. She thought that even if Santander had raised a chargeback, it would have been unlikely to be successful. This was because Mr B had utilised the services he'd paid for, and had been offered an alternative regarding the shower. Mr B disagreed, so his complaint was passed to me.

I disagreed with our investigator, and thought the complaint should be upheld. So, I issued a provisional decision, explaining my reasoning, and giving both parties the opportunity to respond. I said as follows.

I'm satisfied that a chargeback would likely have been successful. I can see that the hotel sent Mr B an email, saying as follows:

"I am sorry that on this occasion we were not able to meet the standards we set ourselves and that your stay with us was not as you would have liked. I see though that you have already actioned a credit card recall of the cost of your stay. With that in mind, we would not be inclined to offer anything further to you."

This strongly indicates to me that the hotel accepted there was a problem, and the only reason it wasn't refunding Mr B directly, was because he was already pursuing a refund through Santander.

On this basis, it's hard for me to see that the hotel would have defended the claim. For completeness, I don't agree that a pass to a gym shower, that's a walk from the hotel, in the middle of winter, is a reasonable alternative to having your own bathroom. Further, there were boiler issues which meant the room was cold. I think this is sufficient to mean a full refund would have been likely, taking Mr B's experience in the round.

This means I think Santander should refund him now, as if a successful chargeback had been carried out. I'm also satisfied the matter has caused Mr B a level of distress and inconvenience, for which £75 compensation seems appropriate.

It's my provisional decision that Santander UK Plc should refund Mr B £178.20, and pay him £75 compensation.

Both parties accepted my provisional decision.

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.

As both parties accepted my provisional decision, I see no reason to depart from it, and my findings remain the same as set out above.

Putting things right

To put things right, Santander UK Plc should refund Mr B £178.20, and pay him £75 compensation.

My final decision

It's my final decision that Santander UK Plc must take the actions set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 March 2024.

Elspeth Wood
Ombudsman