

## **The complaint**

Miss U complains about how Santander UK Plc (“Santander”) handled her chargeback request for payments she made to two merchants.

## **What happened**

The background of this dispute centres around several payments that Miss U made using her Santander debit card. She paid a total of £719.98 to a merchant I’ll call “L” between January 2023 and March 2023. In May 2023, Miss U paid £147.48 to a merchant I’ll call “A”.

Miss U says that she ordered goods from A, but they instead sent her a package containing bags and papers. When Miss U contacted A, they told her they’d deactivated her account and wouldn’t accept any more orders from her. Miss U was advised to contact her back to raise a chargeback.

In respect of the payments to L, Miss U sought a treatment from them hoping for a positive change to her personal situation which at the time was very challenging and stressful. She says L assured her she would receive significant benefits within a few treatments. However, she says that she received no benefits and when she contacted L about this, she was told that this was attributed to personal factors.

Miss U says she contacted Santander about raising chargebacks for the payments she made to A and to L but says she couldn’t register these online. And when she tried to discuss this with Santander, they couldn’t find any records of her trying to register the claims and asked her to re-register these online. Miss U says she was caught in a loop of trying to register her claims and it was only when a Santander member of staff intervened that she was sent the correct forms to fill in. Miss U says she filled these in appropriately and supplied supporting evidence but was then told she was out of time to raise the chargebacks.

Miss U complained to Santander about her experience and the fact that they wouldn’t now raise the chargebacks. Santander didn’t uphold the complaint. They said they had requested information from her about her disputes with A and L but didn’t receive this. And Santander said the chargebacks were now out of time to raise. They offered her £50 for all the calls she’d made to them which Santander acknowledged had caused her distress. And Miss U says Santander offered her a further £70 for how they handled matters.

Miss U remained unhappy and referred the matter to our service.

Our of our investigators looked into what had happened but didn't recommend that Miss U's complaint should be upheld. She said, in summary, that Miss U hadn't provided Santander with sufficient supporting evidence about the service that L had agreed to give her, and how and why that service wasn't then provided as expected. And she said that the time limits for raising a chargeback had already been exceeded by the time Miss U contacted Santander.

Our investigator also said that Miss U hadn't given Santander enough detail about the order she'd placed with A and that it was difficult to evidence that A hadn't delivered what had been ordered.

She did feel though that Santander hadn't managed Miss U's expectations about the chargebacks being out of time and had incorrectly told her that she had a right to claim under Section 75 of the Consumer Credit Act 1974. She felt that the £50 they'd offered to Miss U was fair compensation for their mistakes.

Miss U didn't agree. She said she'd contacted Santander about her disputes well within the chargeback time limits but kept being told to register these online. She also said that she'd sent Santander as much evidence as she could.

As the matter remains unresolved, Miss U's 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 should explain at the outset that I'm not looking into the actions of either A or L and whether they should refund Miss U. These businesses aren't financial services providers and so don't fall within our remit. I will only be looking at whether Santander did anything wrong in the way they handled Miss U's chargeback claims.

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. What this means here is that Santander can in some circumstances ask for a transaction to be reversed if there's a problem with the goods or services supplied by the merchant that the consumer paid for. But the chargeback process doesn't give the consumer legal rights and it isn't guaranteed to result in a refund.

There must first be a right to apply for a chargeback under the card scheme rules (in this case, Mastercard). And I'd consider it to be good practice for Santander to raise a chargeback if it has a good chance of being successful. It's important to note though that chargebacks are decided on the card scheme rules, not the relative merits of a cardholder/merchant dispute.

### ***The chargeback relating to the dispute with A***

Santander accepts that Miss U contacted them about what had happened within the chargeback time limits. The dispute here was that Miss U says that A failed to deliver the goods she'd ordered.

The applicable chargeback reason code here was 'goods and services not provided'. The rule sets out that the cardholder must provide a description of their complaint in sufficient detail so that all parties understand the nature of the dispute and a reasonably specific description of the goods/services purchased.

I've looked at the evidence that Santander has sent to us about what Miss U sent to them. Having done so, I don't find that she provided them with clear enough information about the order she'd placed. From what I've seen, Miss U sent in a screenshot of part of the order showing goods of £19.20 against a total of £147.48. The chargeback rule says there needed to be a 'reasonably specific description' of what Miss U had bought and I don't think what she sent qualified as that.

I've seen that Santander sent Miss U a letter on 19 August 2023 asking for details of the complete order. That was still within the timescales for raising a chargeback. However, I've not seen sufficient evidence that Miss U then sent this to them. And the chargeback time limits then expired.

So, having thought carefully about this part of Miss U's complaint, I don't find that Santander acted unfairly by not raising the chargeback.

#### *The chargeback relating to the dispute with L*

I note that our investigator said the chargeback time limits had already expired by the time Miss U contacted Santander in August 2023. Miss U disputes this and said she contacted them several months prior to this but was being passed from pillar to post in trying to register the claim.

It's not clear whether Miss U did contact Santander in time. But, even if she had done so, I don't think the chargeback would have been successful even if Santander had raised it. The nature of Miss U's dispute with L was that the treatment package she'd purchased didn't give her the expected, and agreed, benefits. I've not seen any evidence of what had been agreed between Miss U and L, what the treatments were and their intended benefit. Nor have I seen that she sent in sufficient persuasive evidence that show that L fell below the expected standard of care and skill in carrying out the treatments. The nature of treatment packages and their affect will vary from person to person and as such that it would be likely quite difficult without some form of expert report to show that they were ineffective or had no benefit.

So, bearing in mind the complexity of the issues and the lack of evidence about what was agreed and provided, even if I concluded that a chargeback was in time, I think it's difficult to also conclude on balance that it would likely have succeeded/been decided in Miss U's favour by the card scheme.

#### *Santander's handling of the chargebacks*

With my above findings relating to both chargebacks in mind, I'm not persuaded that any errors that Santander may have made in preventing Miss U from registering her claims would likely have led to a different position where she would have reclaimed the monies she paid to A and L.

Santander has acknowledged that Miss U was caused distress by having to call them so often about her disputes. And I agree with our investigator that Santander shouldn't have told Miss U that she had a right to claim under Section 75 of the Consumer Credit Act 1974. Miss U paid A and L with her debit card and a right to a claim doesn't exist in that scenario.

Miss U has told us that Santander has offered her a total of £120 for their customer service failings. Assuming that's correct, this doesn't seem an unreasonable figure.

### **My final decision**

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss U to accept or reject my decision before 13 December 2024.

Daniel Picken  
**Ombudsman**