

The complaint

Mr T and Mrs T complain that Santander UK Plc didn't uphold their chargeback claim for tickets bought using Mrs T's credit card which weren't received.

What happened

Mr T says he booked tickets using Mrs T's Santander credit card for him to travel abroad in September 2023. He was told he would receive the e-tickets within 24 to 48 hours, but these didn't arrive. He chased the travel agent and then the airline and found his travel hadn't been booked. He then raised a dispute with Santander. Santander raised a chargeback claim but then contacted Mr T to say his case had been closed as the merchant had provided evidence of the booking. Mr T asked about this and while the booking included details of Mrs T's credit card the booking was in another person's name and to a different destination. Mr T raised this with Santander but was told his case had been closed. Mr T then asked to raise a claim under section 75 of the Consumer Credit Act 1974, but this also wasn't upheld. Mr T wasn't satisfied with the investigation or response provided by Santander.

Santander issued a final response letter in April 2023 saying that it had followed the correct procedures regarding the chargeback claim and that this hadn't been successful. It said it would raise a claim under section 75. In May 2023, Santander sent a further final response letter which said that the chargeback dispute had been defended by the merchant which had said that the flight booked was forward dated and still available. It noted that the booking wasn't in Mr T's name and the travel details didn't match his booking and said that it believed the merchant had made a mistake. It said that it couldn't proceed with the dispute but provided Mr T with a letter to send to the merchant to assist in him getting a refund. Regarding the section 75 claim, Santander sent a letter to Mrs T in May 2023 stating that as the payment was made on her card, but the booking was for Mr T the required debtor-creditor-supplier relationship wasn't in place and so there wasn't a valid claim.

Our investigator didn't uphold this complaint. He explained the role of Santander in regard to a chargeback and said that as the merchant had defended the chargeback he didn't think that Santander had done anything wrong by not upholding this. He also agreed with Santander that there wasn't the required debtor-creditor-supplier relationship in place for a section 75 claim. He noted that if Mr T believed that he had been the victim of a scam he should raise this with Santander.

Mr T didn't agree with our investigator's view. He said that his friend had the same issue and their complaint was upheld.

My provisional conclusions

I issued a provisional decision on this complaint the content of which is set out below.

Mr T has said that he booked his travel with a friend, and they made their bookings at the same time, and both experienced the same issue. He said that his friend's complaint was upheld by this service, and he received a refund. I note his comment, but we will treat each

case based on its individual merits, while all relevant rules and regulations are taken into account each decision is based on the unique circumstances of the complaint.

Mr T has explained that tickets were booked with a travel agent using Mrs T's credit card for him to travel overseas. He was expecting to receive tickets within a day or two, but they didn't arrive. He contacted Santander to raise a dispute about the transaction and it raised a chargeback. Given the information that has been provided, I find this reasonable.

It has been explained that chargeback is a voluntary process run by a card scheme. A card issuer, like Santander, will contact the merchant when a chargeback is raised and the merchant can defend the claim. Chargebacks aren't decided on the merits of the dispute between the cardholder and merchant, but rather it's decided on the relevant card scheme's rules.

In this case the merchant defended the transaction and provided evidence to Santander of the authorisation for the payment from Mrs T's card. However, I do not find that the evidence provided should have been considered as a reasonable defence to the chargeback claim. I say this because the booking provided by the merchant referred to a cardholder with a different name buying tickets for his own use. Santander was aware that the booking had been made on Mrs T's card and so reference to a male cardholder with a different name should have raised concerns that accurate information hadn't been provided.

I note that Santander provided a letter dated 31 May 2023, for Mr T to countersign to send to the merchant which explained the situation and requested the merchant deal directly with Mr T. While I find this was a positive step to try to resolve the situation, I do not find that this meant Santander shouldn't have continued to pursue the chargeback.

I cannot say for certain what the outcome would have been had Santander taken further steps to pursue the chargeback but on balance, given the merchant hadn't provided any evidence of the travel booked using Mrs T's card being provided, I think it could have had a reasonable chance of success.

Given the timing of the issue raised, a chargeback can no longer be made and so Mrs T has lost the opportunity to receive a refund through that process. Because of this, and for the reasons set out above, I think the fair outcome to this complaint (assuming no refund has been received from the travel agent) is for Santander to rework Mrs T's credit card account to reflect the transaction never having taken place. If that results in the account going into credit, then simple interest at 8% per year should be applied to the credit balance from 22 February 2023 (when the dispute was raised) to the date of settlement.

Regarding a claim under section 75, I agree that in this case there is an issue with the required debtor-creditor-supplier relationship not being in place. But as I am upholding this complaint in regard to the chargeback not being progressed as I think it should have been, I haven't considered this aspect of the complaint further.

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 no new information was provided in response to my provisional decision, my conclusions haven't changed. As I previously set out, I do not find that the evidence provided by the merchant should have been considered as a reasonable defence to the chargeback claim. This is because the booking provided by the merchant referred to a cardholder with a

different name buying tickets for his own use. Santander was aware that the booking had been made on Mrs T's card and so reference to a male cardholder with a different name should have raised concerns that accurate information hadn't been provided. Because of this I think it would have been reasonable for Santander to have continued to pursue the chargeback.

As I said, I cannot say for certain what the outcome would have been had Santander taken further steps to pursue the chargeback but on balance, given the merchant hadn't provided any evidence of the travel booked using Mrs T's card being provided, I think it could have had a reasonable chance of success. Therefore, I am upholding this complaint.

Putting things right

Santander UK Plc should rework Mrs T's credit card account to reflect the transaction not having been made. If this results in a credit balance, 8% simple interest per year should be added to the credit balance from 22 February 2023 to the date of settlement.

My final decision

My final decision is that Santander UK Plc should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 23 April 2024.

Jane Archer
Ombudsman