

## The complaint

Miss M complains that Santander UK Plc won't refund money she says she lost to a scam.

## What happened

Miss M made several debit card transactions to a company abroad (which I'll call D) in 2020 and 2021. Miss M believed she was paying for service to help design, develop and license products she intended to sell. But she says she didn't receive the service she paid for. So, Miss M believes she has been scammed.

The payments were made in US dollars. Below is a list of the transactions that were subsequently debited to Miss M's sterling account with Santander.

Date	Transaction Type	Amount
21 August 2020	Debit card payment	£78.65
30 October 2020	Debit card payment	£388.14
31 July 2021	Debit card payment	£503.95
01 September 2021	Debit card payment	£509.74
01 October 2021	Debit card payment	£566.25
01 October 2021	Debit card payment	£74.56
02 November 2021	Debit card payment	£829.64
	Total	£2,950.93

Santander didn't agree to refund the transactions. It said Miss M had contacted it in July 2023 - over 13 months after the transactions had been debited, so it wasn't required to refund any of them.

One of our investigators looked into Miss M's complaint. But she didn't think there was enough evidence to safely conclude Miss M had been scammed.

As Miss M was unhappy with the investigation, a second investigator looked into her complaint. But while he acknowledged the negative on-line reviews Miss M had provided about D, he also didn't think he'd seen enough evidence to safely conclude what had happened was a scam rather than buyer and seller dispute.

In any event, he added that even if it had been scam, he didn't think the payments Miss M had made were large enough or unusual enough for Santander to have contacted her before allowing them to be processed. And, even if Santander had contacted Miss M, he didn't think it would have prevented Miss M from making the payments based on the information Miss M had about D at the time.

The investigator went on to consider whether Santander could have done anything to try and help recover the payments when Miss M contacted it. But due to the passage of time he said Santander didn't have the opportunity to recover the funds as the transactions were now outside the time limits that apply to chargeback disputes.

Miss M didn't accept this outcome. And she asked for her complaint to be reviewed. So, it's been passed to me to decide.

Miss M has raised a similar complaint about an account she holds with another bank. This will be dealt with under a separate final decision. For clarity, this decision relates solely to her complaint about Santander.

### **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'm sorry to learn about what happened to Miss M as I understand that she hasn't received the service she paid for from D. So, I can appreciate why she would think her money should be refunded. But I don't think that I can fairly say that Santander should refund the money she lost. I'll explain why.

Although I'm not doubting that Miss M hasn't received the service she paid for, I've not seen enough persuasive evidence to establish a scam took place. And, even if a scam had taken place, I'm not persuaded that Santander should be required to refund Miss M's payments.

Payment service providers are expected to process payments that a customer authorises them to make, and there is no dispute here that Miss M authorised these transactions. But Santander should take steps to identify and help prevent transactions that could involve fraud or be the result of a scam. But here, the transactions are not of a value where I'd usually expect Santander to be concerned that Miss M was at a heightened risk of financial harm.

Even if Santander had intervened to the extent that it discussed the payments with Miss M (which for the above reasons, I don't think it needed to), I think it's unlikely that any conversation between Miss M and Santander or further research into D would have led to Miss M changing her mind about making the payments. I haven't seen anything that (at the time) would have suggested any concerns about D and – from what I've seen, D continues to operate as an active company to this day – despite some negative on-line reviews.

Miss M has questioned several times if a 'dispute' has been raised, so I've thought about whether Santander had the opportunity to recover the funds for Miss M. As the payments were card payments the only potential avenue for recovery of the payments would have been through the chargeback scheme.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Santander is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, it's generally considered it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding.

But a chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. And more importantly in this case, time limits also apply.

The typical time limit for a chargeback claim is 120 days from the date of the transactions – although, in some circumstances some card schemes allow up to 540 days from the date the transaction was made.

Miss M first contacted Santander about the transactions she is disputing in July 2023. As this is over the maximum 540 days, I'm satisfied that by the time Miss M contacted Santander the chargeback route was no longer available. So, I don't find it did anything wrong when a chargeback wasn't attempted.

I've noted that Miss M has raised concerns about the service Santander provided when she contacted them about this matter. But overall, I've not seen anything significantly wrong with how Santander handled Miss M's concerns that would warrant a compensation payment.

In summary, I have a great deal of sympathy with Miss M as she has not received a service for which she has paid. But it would only be fair for me to direct Santander to refund her loss if I thought it was responsible – and, for the above reasons, I don't find this to be the case. It follows that I will not be asking Santander to take any further action in respect of this complaint.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 October 2024.

Sandra Greene  
**Ombudsman**