

The complaint

Ms B has complained that Santander UK Plc hasn't refunded her for the cost of a hotel, following the cancellation of her flights, paid for using her Santander credit card.

What happened

Ms B booked flights for a holiday through a third party, that I will call 'A'. She also booked a hotel, separately.

Unfortunately, A cancelled the flights around 12 hours before departure, because of a previous fire at the destination airport. It refunded Ms B for the cost of the flights. However, when Ms B contacted the hotel, it said it was too late to cancel, and charged her £2,631.32.

Ms B then contacted Santander, to make a claim under section 75 of the Consumer Credit Act 1974. However, it said that: (a) the hotel costs didn't constitute an 'associated cost' of the cancelled flights; and (b) the hotel was available for Ms B to use, and its terms and conditions set out the cancellation policy.

Ms B then brought her complaint to our service. One of our investigators looked into it, but thought Santander had acted fairly.

Ms B disagreed. In summary, she explained that the flight was booked wholly to transport her and her family to their holiday destination. And A cancelled the flights at the last minute, without allowing her to change them, and it was too late to book alternative transport.

The complaint's now been passed to me.

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.

Having done so, I'm not upholding it. I know this will be very disappointing, but I'll explain why.

First, I've thought about whether the hotel can be considered an associated cost of the payment for the cancelled flights. But, in order for it potentially to be so, such that Ms B might be refunded for it under section 75, there'd first need to be a breach of contract (or a misrepresentation) regarding the flights. Here, there were neither. The flights were cancelled, which A was entitled to do, and Ms B was refunded for them. So, there was no breach of contract, and nor is there evidence of any misrepresentation. One of these would need to have happened, for section 75 to apply. What these means, is that I think it's fair that Santander didn't consider section 75 to apply the flights, so, by extension, to the hotel. Accordingly, any consequential losses would fairly not be considered.

I've also thought about whether it was fair for Santander to decline a section 75 claim in respect of the payment made to the hotel. Again, I think it was, because there was no breach of contract or misrepresentation regarding the hotel or its cancellation policy.

I fully sympathise with Ms B's position. It must have been very disappointing and frustrating, and I can see she did all she could to try to find a solution. This was meant to be a celebratory holiday, but it turned into something costly and upsetting. I am truly sorry about what's happened. But my role is solely to decide if Santander has acted unfairly, and I don't think it has.

My final decision

For the reasons given above, and despite my considerable sympathy for Ms B, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 12 March 2025.

Elsbeth Wood
Ombudsman