

The complaint

Miss C complains about a decision taken by Santander to not submit, on her behalf, two chargeback claims.

What happened

My provisional decision of 26 February 2025 set out the background to this complaint:

Miss C paid a supplier that I will call "D" £700 for a sofa and armchair ("furniture") to be supplied and fixed with wooden legs. Miss C paid D £150 on 30 December 2023 and £550 on 9 January 2024 using her Santander debit card.

On 10 January 2024 the furniture was delivered to Miss C but without wooden legs. Miss C says she contacted D to try and resolve matters but without success.

On 22 January 2024 Miss C contacted Santander for assistance in securing a refund from D of the £700 she had paid it.

On 23 January 2024 D confirmed to Miss C that in line with what had been agreed it would be able to fit the wooden legs to her furniture that same day. However, Miss C says that she declined this fitting on the basis that she was busy and that, despite what D says to the contrary, she had never agreed to a fitting date of 23 January 2024.

Miss C says that after she declined the above fitting, she heard nothing further from D.

On 23 January 2023 Santander wrote to Miss C asking her to complete two forms in support of her refund request. Miss C returned both forms with an explanation about what had happened, both forms being received by Santander before 13 February 2024.

On 13 February 2024 Santander wrote to Miss C requesting the same from her as it had requested of her on 23 January 2023.

On 14 February 2023 Miss C called Santander and was told by it that it hadn't received a response from her to its letter dated 23 January 2024 and that's why a further letter dated 13 February 2024 was sent.

On 17 February 2024 Santander confirmed to Miss C that it had received her response to its letter dated 23 January 2024 and to ask her to provide the date the goods were returned to D, proof of shipping details, a dated copy of her communication with D where she had requested from it a return address and a detailed explanation of why she felt the goods weren't as described.

On 20 February 2024 Miss C spoke with Santander. Santander's call notes suggest it told Miss C to send the goods back to D or provide evidence that D had refused to collect them.

On 24 February 2024 Miss C wrote to Santander providing proof of her attempts to call D and to say that she couldn't return the goods to D because the goods were too big and because D was based inside a shopping centre.

On 24 February 2024 Santander sent Miss C a final response letter ("FRL"). Under cover of this FRL Santander apologised to Miss C for having advised her on 13 February 2024, incorrectly, that it hadn't received a response from her to its letter dated 23 January 2024 and that for this error it had credited her account with £50. It also said that to progress her claim further it needed the date the goods were returned to D together with the shipping details (or an explanation as to why they hadn't been returned or couldn't be returned), a dated copy of the communication with D where a return address was requested together with a detailed explanation of why she felt the goods weren't as described.

In response Miss C provided a copy of an email addressed to D, dated 26 February 2024, in which she asked D to come and collect the goods.

On 5 March 2024, Santander told Miss C it was missing information and couldn't progress her claim without it. Santander said Miss C should refer to its previous letter for the information it required. Santander's notes say Miss C called on 11 and 15 March 2024 and said she had no more information to provide and that she was unhappy with Santander's handling of her claim.

On 12 March 2023 Miss C referred her complaint to our service.

On 21 March 2024 Santander sent Miss C a second FRL. Under cover of this FRL Santander said it was unable to process any chargeback without documented confirmation from Miss C that she had returned or had attempted to return the goods, or evidence that D had confirmed it wouldn't accept a return. Santander also added it was only able to process a chargeback within 120 days of the date of delivery.

One of our Investigators reviewed Miss C's complaint and came to the view that Santander need do nothing further.

Miss C didn't agree with our investigator's view, so her complaint has been passed to me for review and decision.

My provisional findings were:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It's important to note that Santander isn't the provider of the furniture here – so in deciding what is fair and reasonable I'm looking at its particular role as a provider of financial services. In doing so I note that because Miss C paid for the furniture using her debit card chargeback was a way Santander could possibly help her. So, in deciding what is fair and reasonable I've focused on this.

There is no requirement for Santander to raise a chargeback, but it's often good practice to do so. However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Santander acted fairly.

Santander didn't raise chargebacks for Miss C. It's arguable they could have attempted to but I think they would have failed in any event. I will explain why.

Under Mastercard's Rules, Santander could have made a chargeback claims that the furniture wasn't as described or defective. But for these claims to have had a reasonable prospect of success a number of requirements would have needed to be met, including evidence of a refusal by D to adjust the price, issue a refund, repair or replace the furniture.

I appreciate that Miss C says she heard nothing further from D after 23 January 2023. But in my view had Santander raised chargebacks on Miss C's behalf D would have, more likely than not, defended them on the grounds that it had offered to supply and fit the wooden legs and that it was still prepared to do so.

I've taken into account Miss C's arguments and I do acknowledge her disappointment. But it's important to underline that I'm not looking at her rights against D in court under consumer law such as the Consumer Rights Act 2015. These are possibly more favourable to her than the chargeback scheme. However, considering the specific limitations of the chargeback scheme I don't think that it would be fair to say that Santander's actions (or inactions) caused Miss C to lose out.

Miss C says it was Santander's responsibility to tell her everything she needed to know about making a chargeback claim. From what I've seen, I think Santander's letters asked Miss C appropriate questions so it could consider whether it had enough evidence to submit chargeback claims for the transactions Miss C disputed. It may have been helpful if Santander had provided more information about the chargeback process, such as the timescales for making a claim. But I don't think it was required to do so or that this would have made a difference here. If Miss C had been given more information about the timescales involved, for example, I still think it's unlikely chargeback claims would have been successful for the reasons explained above.

Miss C says Santander took too long to deal with her claim but I've seen nothing to suggest this was the case. Indeed I can see that at the time Santander sent Miss C its second FRL she was still 'in time' for chargebacks to be raised.

Santander accepts it told Miss C incorrectly that it hadn't received a response from her to its letter dated 23 January 2024. But I think £50 for this error is both fair and reasonable especially given how quickly Santander accepted it had made this error and apologised for it.

However, I do think Santander should pay Miss C additional compensation for the distress and inconvenience it caused by incorrectly telling her she should arrange for the return of the furniture. This was clearly not necessary under Mastercard's rules, and Miss C had to explain on several occasions it wasn't possible for her to do so.

Having thought about this particular matter very carefully I'm currently of the view that it's both fair and reasonable that Santander should have to pay Miss C a further £100 in compensation.

Santander accepted my provisional decision but Miss C did not respond.

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.

Santander has accepted my provisional decision, and Miss C has not responded. So, my provisional decision remains unchanged.

Putting things right

Santander should pay Miss C a further £100 compensation, bringing the total payable to £150. If Santander has already paid £50 compensation, only a further £100 is payable.

My final decision

For the reasons explained above, I uphold this complaint and require Santander UK Plc to do what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 15 April 2025.

Victoria Blackwood
Ombudsman