

The complaint

Mr B complains Santander UK Plc didn't deal with a disputed transactions claim he made fairly.

What happened

Mr B has an account with Santander with a debit card. He's been a customer of Santander for over 30 years.

In September 2023 Mr B says he decided to go on holiday abroad with his family. He says he contacted a company who offered him a holiday for three people for two weeks for £1,800 – a “competitive price” in his words. He says he booked the holiday over the phone, gave the company his email address and was told that he'd get an email confirming the details.

Mr B says he didn't receive the email so called back to complain and was told his payment hadn't gone through and that he'd lost the deal. Mr B says he called Santander to find out why the payment hadn't gone through as he was sure his account had enough money in it. He says he was shocked to be told that six payments that he didn't recognise had passed through his account. He says he never received any text messages asking him to confirm payments. He says he then obtained the details of the company he'd been speaking to, discovered that their address was bogus and reported them to the police. The payments – six in total – were made on 28 September 2023, 2 October 2023 and 3 October 2023.

Mr B subsequently contacted Santander to say the company had taken over £4,300 from his account without his consent. He says Santander kept on asking him for more information and then said his claim was out of time. He complained.

Santander wrote to Mr B in February 2024 to say that it had initially declined his dispute as it didn't have enough information and that Mr B's dispute was out of time by the time he sent in additional information. In other words, Santander said that it hadn't done anything wrong. So, it didn't uphold his complaint. Mr B was unhappy with Santander's response and complained to our service.

One of our investigators looked into Mr B's complaint and said that they didn't think Santander had acted unfairly. Mr B disagreed and asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, referred 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.

I can see that Mr B wrote to Santander in October 2023 to say that he'd booked a holiday over the phone for £1,800, that he'd been told the transaction had gone through and that he'd receive an email confirming the booking. In his letter he explained that he rang back again a few days later as he'd not received the email and was told the payment hadn't gone through and he'd lost the deal. He then went on to explain that he found out the company had taken funds from his account and that he had evidence they were a bogus holiday company. He said he wanted Santander to track the company down and to cover his losses.

I can see that Santander wrote back to Mr B asking him for more details of his claim. Santander did so on 27 October 2023. That letter enclosed a form asking Mr B various questions including, for example, a description of the dispute. I've seen a completed version of that form on which it appears Mr B has ticked "my payment was taken more than once" and "my goods or services weren't received". The form also says the goods and service should have been received on 4 October 2023 and that Mr B didn't have a copy of the contract with the retailer or service provider or a copy of any invoice or booking confirmation.

I can see that Santander wrote back to Mr B again on 8 November 2023 saying that it needed more information. For example, details of how he'd tried to resolve the issue with the merchant. Mr B appears to have completed the form Santander sent with that letter and dated it 20 November 2023. It looks like Santander didn't re-open Mr B's claim because it wrote to him again on 20 January 2024 to apologise that it hadn't done so. In that letter Santander again asked for details of how he'd tried to resolve the issue with the merchant saying that once it received this information it would re-open his claim and re-assess it.

I can see why Santander was asking for the additional information it requested in its letters. It was wanting to make a chargeback claim on Mr B's behalf – it would only have one opportunity to do so – so it wanted to make sure it had all of the evidence that the chargeback rules require. Santander is also right that there are strict time limits when it comes to chargebacks, and in this case it needed to raise the chargeback within 120 days. I agree, therefore, with our investigator that Santander handled the chargeback fairly. That isn't, however, quite the end of the story.

In his response to our investigator's view, Mr B has said that he remembers he was off work at the time and that he left his mobile phone at the office. Santander has produced evidence to show that the transactions Mr B has disputed were authenticated using Mr B's mobile phone. Mr B's response to our investigator's view is, in an effect, a claim that the payments were carried out by a third party using his mobile phone without his authority. In other words, unauthorised transactions – as defined by the Payments Services Regulations – rather than authorised transactions / scam payments. The time limits for reporting unauthorised transactions are more generous.

In response to Mr B's complaint being referred to decision, Santander has said that it would reconsider Mr B's claim – which I take to mean consider it as an unauthorised transaction claim – if Mr B can send in evidence that he was off work on the days claimed and evidence that they've logged a Police Report. We shared Mr B's response with Santander. I'm not, therefore, going to say any more about the merits of his unauthorised transaction claim. I do, however, agree with our investigator that Mr B's chargeback claim was handled fairly.

My final decision

My final decision is that I'm not upholding Mr B's complaint about how Santander UK Plc handled his chargeback claim as I don't think it acted unfairly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 October 2024.

Nicolas Atkinson
Ombudsman