

The complaint

Mr W complains that Santander UK Plc provided him with poor customer service regarding the credit card he holds with them after attempted transactions using the physical card were declined.

What happened

Mr W says that he attempted to use his Santander credit card overseas on 9 April 2024, but transactions were declined with two retailers attempting both contactless and card insertion methods. Mr W says he rung Santander, and they were unable to help, as they were blaming the retailers for what happened. When Mr W returned home, he made further calls to Santander as his card was now being declined in the UK.

Mr W says that Santander claimed all of the retailers he's attempted to use his card with were incorrectly processing the transactions. He says Santander have told him incorrect information about him being able to successfully use his card after the declined transactions. Mr W says he is only able to use a third party method of processing transactions on his Santander credit card (which doesn't use the physical card), or online payments. Mr W made a complaint to Santander.

Santander did not uphold Mr W's complaint. They said they declined three attempted transactions from an international company on 9 April 2024, and they also declined two payments from a coffee shop on this same day. Santander said the payments were all automatically declined by their security system, as the reason for this was indicating a Personal Identification Number (PIN) bypass attempt. Mr W brought his complaint to our service.

Our investigator upheld Mr W's complaint. She said Santander offered Mr W £100 in recognition of the poor customer experience he received when he contacted them whilst he was overseas. She said Santander doesn't believe there are any issues with the card however they said they can send Mr W a replacement card.

Santander sent Mr W a replacement card and £100 compensation. Mr W asked for an ombudsman to review his complaint. He made a number of points. In summary, he said he was unhappy that Santander has said he was successfully able to use his card since he originally made his complaint. He said he hadn't been able to use his physical card as he had only been able to make transactions via other methods such as through a third party payment system, and online transactions where he hasn't needed to enter his PIN. He wanted increased compensation and an apology from Santander.

Mr W said that he asked Santander to issue a new card to him on 25 April 2024, but they told him this was not appropriate as both of the declines on that day were due to the bypassing of the PIN, the fault of either both retailers and/or himself but that it could not be the card itself. He said they also told him that the same was true of subsequent declined transactions.

As my findings differed in some respects from our investigator's, I issued a provisional

decision to give both parties the opportunity to consider things further. This is set out below:

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

Firstly, I'm aware that I've only summarised Mr W's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I've listened to a number of calls that Mr W had with Santander on 9 April 2024. On one of the calls I listened to Mr W expresses his dissatisfaction from the earlier calls, and he tells them it's the third time he's rung them. He discusses the failed transactions, and the call handler told him their system shows PIN problems. Mr W tells the call handler that it didn't get as far as asking for a PIN. The call handler places Mr W on hold while he looks into the transactions. When he returns he tells Mr W it appears there is an issue with the card terminal. The call handler tells Mr W that either there has been a locked PIN after three times being unsuccessful, or the PIN had been bypassed.

Mr W told him the same thing had happened before, and he asks the call handler what he can do for him since he is abroad. The call handler tells him there is nothing he can do, and he offers to raise a complaint for him which Mr W says he can do this when he returns to the UK. Mr W had poor customer service as the call handler talked over him frequently. Even when Mr W asked the call handler not to interrupt him, he did so again at times.

Mr W was transferred to a senior member of staff. The manager talks over Mr W at times also, and he interrupts Mr W constantly. Mr W asks why they won't unblock his card, and the manager tells him the card isn't blocked. The manager tells Mr W the issue is how the retailer is processing the payment. Mr W explains the merchant uses the exact same process with other customers, so he doesn't believe there is an issue with the card. The manager then keeps talking over Mr W which leads to Mr W saying he will have to terminate the call, and the call disconnects.

I've considered what Mr W has said about him asking Santander about a new card on 25 April 2024. I asked Santander for a copy of this call. Santander have told me that there is no call recording from this date. This doesn't necessarily mean that Mr W didn't have a call with Santander on this date, but they don't have a copy of any call recording on this date,

On the balance of probabilities, I do think it's likely Mr W did suggest a replacement card at some time, and Santander said there was no issue with his card so they wouldn't send him one. And as Santander repeatedly told Mr W that there was no issue with his card, based on what their system was showing as a PIN bypass, and there being no blocks on Mr W's card (I can confirm to Mr W that there are no blocks showing on the alerts of his account that Santander have sent us), then this is why they kept telling him nothing was wrong with his card. So I do think it's likely they told Mr W there would be no need to reissue his card.

While the system does show a PIN bypass, based on what Mr W told the call handlers on 9 April 2024 about it not getting to the stage to enter his PIN, and everybody else who used the merchant seemed to have no issue, and him having the same issue previously, and at multiple different merchants, then I'm persuaded that Santander let Mr W down with their investigation (or lack thereof) of what happened here.

I say this because although the system may have been showing a PIN bypass which would normally be a result of someone entering a PIN incorrectly three times or the merchant

asking for a signature instead of using Chip and PIN (or contactless), Mr W had already told Santander he didn't get to the stage of entering his PIN, so I'm not persuaded he would have entered this three times incorrectly.

Mr W had also told Santander that this had happened to him before and with other merchants. So again, it's unlikely that all of the merchants he used were trying to get him to sign for a transaction instead of using his PIN.

I'm unable to say with certainty what actually happened here because of the message on Santander's system with the PIN bypass. But considering there was no block on his card, I'm persuaded that it would be highly likely that the physical card itself was damaged, potentially with the Chip in the card. This could explain how Mr W was able to make purchases online without needing to enter his physical PIN, and he was able to pay through a third party payment system, but not with his physical card.

Santander's investigation stopped based on the PIN bypass, instead of them looking at the bigger picture. When Mr W returned to the UK he still experienced the same issue at multiple retailers. But nobody at Santander appears to have considered that the Chip or the physical card itself may have been damaged and that's why their system was showing a PIN bypass.

Mr W was given incorrect information which also prevented further investigation. I say this because Santander told him that "I'm glad to see that you have successfully used the card after these 2 declined purchases, this indicates that there is nothing wrong with the card itself and there was an issue with those 2 attempted purchases. This again leads credibility to the explanation over the declined payments for security reasons".

But Mr W hadn't used the physical card. He had only been able to make successful purchases by going online or using the third party payment system, and not by using his physical card, so no further investigation took place. If Santander had correctly identified that Mr W hadn't been able to make any successful transactions with his physical card, then I would expect them to reissue him another card to see if there was an issue with his physical card. Or if the same thing happened on a new card, then this could have prompted further investigation from Santander.

Since Mr W has had his new card, I'm not aware of any declines on his new physical card, which could indicate that his previous physical card was damaged. So I'm persuaded that a lack of a thorough investigation, based on what Mr W was telling Santander resulted in delays in resolving the issue for Mr W, as he was forced to use the credit card online or through the third party payment provider only, which wouldn't always be the most convenient thing for him.

So I've considered what would be a fair outcome for this complaint. I'm not persuaded that £100 recognises the impact the issues had on Mr W. He was without a working card for months, he experienced poor customer service multiple times on the phone, and he was told incorrect information, including that he had been able to use his card successfully since the declined transactions, which I know distressed Mr W when he hadn't been able to use the physical card itself.

I'm persuaded that a further £150 compensation (to total £250 compensation) would be a truer reflection of the distress and inconvenience that Mr W had for what happened here. I'm also persuaded that it would be appropriate in this case for Santander to write a letter of apology to Mr W acknowledging their service failings here, so it follows I intend to ask Santander to put things right for Mr W."

I invited both parties to let me have any further submissions before I reached a final

decision. Both parties accepted the provisional decision, but Santander wished to comment on some points made in the provisional decision.

In summary, they said they have never been advised that Mr W was unable to use his physical card for transactions. They said Mr W was making most of his transactions via a third party payment company, which their understanding was something Mr W chose to do, rather than him being forced to do this as they said Mr W was able to make payments in shops using his physical Santander card in early 2024. Santander said there was nothing they could have done when Mr W was abroad as they were only able to see the transactions declined due to the PIN bypass. They agreed the calls could've been handled in a better manner.

Santander said they do acknowledge the fact they should have explored the option of the card being reissued sooner, and further declined transactions in April 2024 within the UK could've indicated that the card was not working as expected, and this could indicate physical damage.

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 not persuaded by what Santander have said about them never being advised that Mr W was unable to use his physical card for transactions. I say this on the basis their investigations were focused on his card which Mr W told them he had issues with declines, and the fact they've mentioned PIN bypasses for him either entering a PIN number incorrectly three times or the merchant asking for a signature – which these things typically wouldn't be asked for using the third party payment method that Mr W had to use as an alternative. But I'd like to thank Santander for agreeing that the service they provided Mr W was lacking at times, and for agreeing to the provisional decision.

In summary, Santander's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Santander are disappointed, I hope they understand my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask Santander UK Plc to pay Mr W £250 compensation (less anything they have already paid him) for distress and inconvenience. I also said they should write Mr W a letter of apology for their service failings. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint. Santander UK Plc should pay Mr W £250 compensation (less anything they have already paid him) for distress and inconvenience. They should also write Mr W a letter of apology for their service failings.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 October 2024.

Gregory Sloanes
Ombudsman