

The complaint

Mr C has complained about the way Santander UK Plc dealt with his request for money back.

What happened

In November 2022 Mr C paid around £1,600 for dental aligner treatment from a company I'll call "S" using his Santander debit card through an electronic money wallet. He contacted Santander in January 2024 and said he was in the middle of treatment when S went out of business (in December 2023). Mr C said he was still wearing the aligners at that time but had lost access to the service. He said he'd since stopped wearing the last aligners because they stopped fitting correctly. He asked for a full refund.

Santander asked for information from Mr C to consider the claim. Mr C also decided to refer matters to the Financial Ombudsman. Santander responded to say Mr C had received some of the service and so it required a breakdown of costs. Mr C still wasn't happy because he thought he'd provided everything he could.

Santander responded in July 2024 to say it agreed it could have been clearer in its requests to Mr C. It said because it didn't receive the information it needed in time to raise a chargeback it reviewed matters separately and decided to pay Mr C a partial refund of £546.34. It said it made this payment on the basis Mr C said he'd received the first set of aligners in November 2022, a second set in June 2023, but a third set didn't arrive. It said it based the refund on the £1,639 paid divided by 24 because it said Mr C expected 24 sets of aligners. It said Mr C had received 16 sets of aligners and so offered a pro-rata refund for what he'd not received. It also said it didn't know if the claim would have been successful, even if it had been raised in time. I understand it also paid £150 compensation.

Mr C still thought he was due a full refund. One of our investigators considered the complaint but thought Santander's offer in relation to the chargeback and compensation for overall service was broadly fair.

Mr C didn't agree, so the complaint has been passed to me to decide.

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 considering whether Santander has acted fairly and reasonably in the way it handled Mr C's request for getting his money back. In situations like this, Santander can consider raising a chargeback.

The chargeback process provides a way for a card issuer to ask for a payment to be refunded in certain circumstances. The chargeback process is subject to rules made by the relevant card scheme. It's not a guaranteed way of getting money back.

While it's good practice for a card issuer to attempt to chargeback where certain conditions are met and there's some prospect of success, there are grounds or dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. And something going wrong with a merchant won't always lead to a successful claim.

While Santander didn't raise the chargeback it's reimbursed Mr C a third of what he'd paid. Bearing in mind I need to resolve the complaint quickly and with minimum formality, the most straight forward way to do that is for me to decide if Mr C would likely have received more had Santander pursued the claim through chargeback. I don't think he would have, and I'll explain why.

For Mr C to have had a chargeback successful for a full refund, not only would it have needed to be raised in time, but I think there'd need to have been sufficient evidence demonstrating the financial sum he'd lost out. The chargeback reason code that likely was most relevant was for defective goods/services or goods/services not provided. It's not in dispute Mr C received some goods and service from S, and so a full refund would be unlikely to have been agreed, even if Santander had raised it. Moreover, there's a lack of supporting evidence for the claim to have been considered.

For defective services, Mr C indicated he had ill fitting aligners, but he's not provided supporting evidence such as an independent, expert opinion that sets out the treatment he paid for was defective.

While I appreciate Mr C is put in a difficult position because some of the evidence isn't available, I can only consider how Santander acted based on what was able to be supplied. In the absence of a specific signed contract, I've looked at S's website from around the time Mr C entered into the contract. This says most treatment lasts between 4 to 6 months, although I understand it can last slightly longer with night-time aligner, which is what Mr C said he bought. It's not in dispute Mr C was due to receive a set of aligners when he entered into the contract in November 2022 and that he received them. I think the core contract was for that set of aligners that he was due to use for a few months.

Mr C said he was given a second set of aligners in 2023 and he said he was still wearing aligners when S went out of business. There's not much supporting evidence for what happened, which would likely have been an issue for a claim to be successful under chargeback. But Mr C said his initial (core) treatment was for eight months. So given he was wearing aligners for around a year before S went out of business, even if there were some ill fitting aligners that needed to be replaced, on balance I think Mr C had finished his core treatment before S went out of business. So I don't think it would have been likely he'd have been able to claim for that through chargeback. However, Mr C has mentioned he also lost out on the lifetime guarantee.

S's website says if the customer hasn't achieved the results they want, and providing they've met certain conditions, the customer might be eligible for additional 'touch up' aligners. Further aligners seem to be part of S's aftercare offering for further refinement (subject to dentist approval).

With regards to the lifetime guarantee, on S's website from the time, the frequently asked questions ("FAQ") page has a section for further treatment under the guarantee. This suggests customers can request further aligner 'touch ups' after the core treatment at no cost on an ongoing once a year basis. There's not much supporting evidence for 'touch up' treatment requested or received in 2023, but Mr C is indicating he's lost out and therefore may have wanted further treatment. If Mr C was having issues around December 2023, it likely would've been in relation to 'touch up' aligners being provided under the guarantee as

opposed to the core treatment.

From what I can see the availability of a 'touch up' isn't the same as saying that particular results will be achieved. It seems like it's intended for refinement if possible. What the guarantee offered was the *possibility* of having further aligners provided that during treatment Mr C took certain steps. And that, after treatment, Mr C bought retainers every 6 months and wore them as prescribed. A dentist also had to approve the treatment. My understanding is that a dentist would only do so if they assessed that further progress to straighten the teeth would be possible. I don't think Santander had sufficient evidence Mr C met the conditions for the guarantee.

Mr C thinks he should be provided with a full refund of the treatment costs. Even if we were to accept there's a valid claim identifiable (which isn't clear) because Mr C can no longer use the guarantee, given the stage of treatment he was at, the guarantee would never have given him the option of a refund of the core treatment costs. From what I've seen, a full refund was only available for the first 30 days after Mr C began the treatment around November 2022, and only if Mr C had not opened or used the aligners. I don't think it would be fair or reasonable for me to tell Santander that it should now provide Mr C with a full refund to compensate him for a potential loss through chargeback based on the very limited evidence available.

There are many ways in which the guarantee could have ceased to be of use to Mr C. He may not have done what was required in terms of buying retainers every six months. S may not have approved further aligners. The guarantee only gave the possibility of annual touch-up aligners – not the certainty that they would actually be provided.

Even if I were to accept there's a potential loss, it wouldn't be straight-forward to establish the value of the perceived loss. And, as I said, I'm required to resolve the complaint quickly and with minimum formality. I don't think Santander is required to remedy a failure in relation to the core treatment or results Mr C received. Even if Mr C may have been able to further utilise the guarantee, I'm conscious Mr C has been refunded around a third of the cost he's paid. He didn't supply sufficient evidence that the service he felt he lost out on was worth more than that – which I think would've likely been required for a successful chargeback. Considering we'll never know if Mr C would have continued to receive any benefits under the guarantee; taking into account he's received the core treatment, I think he's ended up in broadly a fair position with the refund he's received. It seems like a fair compromise given I think the total amount paid was substantially for the core treatment.

With regards to the overall way Santander handled the claim, I think it asked for information that would usually be required for a chargeback. But the situation was slightly unusual because S had gone out of business, and Mr C didn't have a breakdown of the goods, service, and guarantee element of what he'd paid. Santander acknowledges it could have handled the claim better, and I agree. This must have been frustrating for Mr C. But it's paid him £150. This is in line with what's awarded where there's been repeated small errors requiring a reasonable effort to sort out, which I think is the case here.

Overall, albeit for slightly different reasons to Santander, I think Mr C has been put in a fair position with regards to the refund he received for the claim he raised, and I think the compensation he received on top of that is fair. I make no further directions.

My final decision

My final decision is that Santander UK Plc's offer is fair and reasonable. To the extent not done so already, it should pay Mr C £546.34 and £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 April 2025.

Simon Wingfield
Ombudsman