

The complaint

Ms E complains that Santander UK Plc has declined her claim for reimbursement after she had work done at her home. She says that, because she paid for the work in part using her Santander credit card, she has a claim against the bank as well as against the supplier.

What happened

In 2023 Ms E engaged a business which I'll call "H" to carry out some refurbishment work to her bathroom. The work was not a complete replacement of the bathroom. H was to fit a new toilet pan and washbasin, for example, but the bath was to remain in place.

The agreed cost of the work was £5,148. Ms E paid £4,538 in total, including £1,860 using her Santander credit card. The balance of £610 was to be paid on satisfactory completion of the work.

Ms E was unhappy with some of the work, which was carried out in October and November 2023. H attended to inspect it and offered to carry out remedial work (including replacing some items). Ms E did not think this was satisfactory and contacted Santander. It said that, as H had offered to carry out remedial work, it would not meet Ms E's claim. It would however review the position if, after H had had the opportunity to carry out further work, Ms E remained unhappy.

H carried out further work in April 2024, including replacing some items. It said that it was satisfied the work had been carried out to a satisfactory standard, although Ms E had said that both the toilet pan and washbasin had been damaged. H denied this; it said that the marks which Ms E had identified were the result of the manufacturing process and were not defects. It offered to waive the outstanding balance of £610 in order to settle the matter.

Ms E did not accept H's offer and referred the matter back to Santander. It said however that it thought H's offer was reasonable and so did not believe it had any liability to Ms E.

One of our investigators considered what had happened but was broadly in agreement with Santander. She didn't recommend that the complaint be upheld. Ms E asked that an ombudsman review the case.

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.

Chargeback

Where goods or services are paid for with a debit or credit card and a dispute arises, it is sometimes possible to resolve that dispute through the chargeback process. Chargeback is a scheme run by the card schemes (in this case, Mastercard). A card issuer (here, Santander) raises a claim through the scheme against the merchant's provider of card facilities. That provider will then consider whether the claim meets the relevant criteria for

chargeback (if necessary, seeking evidence from the merchant) before responding to the claim. Where necessary, the scheme provides for arbitration between the financial businesses.

Chargeback is however primarily a scheme for resolving disputes about payment settlements – including, for example, where payments are not authorised or are duplicated, or where goods have been paid for but not delivered. It can therefore have the effect in some cases of resolving disputes between merchants and consumers, but it is not always an appropriate or effective mechanism for achieving that aim.

There is no legal or regulatory obligation on a card issuer to pursue a chargeback claim, but this service takes the view that they should do so where there is a reasonable prospect of success.

Ms E used both her credit and debit cards to pay H. It does not appear to me, however, that any of the chargeback reasons is likely to have applied in this case. In the circumstances, I think it was reasonable of Santander to decide not to submit a chargeback request.

Section 75

One effect of section 75 is that, subject to certain conditions, an individual who uses a credit card to pay for goods or services and who has a claim for breach of contract or misrepresentation against the supplier of those goods or services has a like claim against the credit card provider. The necessary relationships between Santander, H and Ms E are present in this case, and the transaction falls within the relevant financial parameters. I have therefore considered Ms E's dealings with H.

Under the Consumer Rights Act 2015 a contract for the supply of goods is to be read as including a term that the goods supplied will be of satisfactory quality. And a contract for services is to be read as including a term that services will be carried out with reasonable care and skill. Ms E's contract with H was a contract for goods and services, so both apply.

It seems that H did accept that there were issues with some of the work carried out in October 2023. It says however that remedial work was completed in April 2024. The marks which Ms E has identified in the porcelain were not defects and the work was completed to a satisfactory standard.

Ms E has provided some photographs which do appear to show small dark marks on the toilet pan and washbasin. It is, however, not clear whether they are permanent, and nor is it possible to tell from the photographs what caused them.

Ms E has explained as well that she asked H to replace the waste trap in the bath. That was not done. I note however that H said that this might not be possible without removing the bath. Doing that might in turn damage the tiles, which would then have to be replaced.

It is not for me to say whether Ms E does in fact have a claim against H. Nor is it for me to decide whether she has a claim against Santander under section 75. What I must do is decide what I consider to be a fair resolution of Ms E's complaint about Santander's decision to decline her claim. In the circumstances, including the offer which H has made, I think it was reasonable of Santander to decline Ms E's claim under section 75.

My final decision

For these reasons, my final decision is that I do not uphold Ms E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 17 April 2025.

Mike Ingram
Ombudsman