

The complaint

Miss C complains that Santander UK Plc (“Santander”) won’t refund her for a holiday booking she paid for using her debit card.

What happened

In April 2024, Miss C booked a package holiday through a booking agent I’ll call “L”. The holiday comprised return flights and a stay at a hotel. Miss C paid a total of £1,836.45 to L for the booking using her Santander debit card.

Before Miss C booked the holiday, she had noticed an online review of the hotel which said the hotel was on a hill and had warned disabled people against staying there. Miss C contacted the hotel directly as she has mobility limitations due to osteoarthritis and a severe back condition, and it was important to her to be able to access the nearby beach and to enjoy the benefits of the seawater. Miss C received an e-mail from the hotel reassuring her that she would be able to access the beach without using stairs. Miss C says though that she couldn’t access the beach when she stayed at the hotel and could only use the hotel swimming pool.

Miss C complained to L, but they didn’t agree that they’d done anything wrong. L offered Miss C a refund of 10% of the hotel cost as a goodwill gesture, but she didn’t feel this went far enough. So, Miss C contacted Santander.

Santander considered raising a chargeback for Miss C but didn’t proceed with this. Miss C complained to Santander who said in response that they didn’t raise a chargeback because she went on the holiday and stayed for the whole duration. Santander also said the chargeback criteria didn’t cover the quality of service that Miss C had received.

Miss C wasn’t happy with Santander’s response. So, she referred her complaint to our service. Our investigator didn’t recommend that Miss C’s complaint should be upheld.

Miss C didn’t agree with our investigator’s view and so her 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 want to acknowledge that I’ve summarised the events of this complaint. I don’t intend any discourtesy by this – it just reflects the informal nature of our service. But I want to assure Miss C and Santander that I’ve reviewed everything on file. And if I don’t comment on something, it’s not because I haven’t considered it. It’s because I’ve concentrated on what I think are the key issues. Our powers allow me to do this.

This complaint is about Santander, as Miss C’s debit card provider. It’s not about L or the hotel, who aren’t financial services providers and, as such, don’t fall within my remit.

I've looked at the actions of Santander in dealing with this dispute and whether they acted fairly and reasonably in the way they handled Miss C's request for help in getting the money back she paid for the holiday. Here, I note that Santander considered raising a chargeback but didn't then proceed with this.

In certain circumstances, the chargeback process provides a way for a bank to ask for a payment (or payments) that Miss C made to be refunded. Where applicable, the bank raises a dispute with the supplier and effectively asks for the payment to be returned to the customer. While it's good practice for a bank to attempt a chargeback where the right exists and there is some prospect of success, the circumstance of a dispute means it won't always be appropriate for the bank to raise a chargeback. There are grounds or dispute conditions set by the relevant card scheme and if these aren't met, a chargeback is unlikely to succeed.

When a chargeback is raised, the scheme allows a given period for a supplier to reply to say whether they agreed to the refund. And when a supplier defends a chargeback, this can lead to further representations by the cardholder's bank, if it considers the supplier has raised a weak or invalid defence. The process then allows for further representations to be made if the parties still don't agree, and for the card scheme to decide who gets to keep the money.

This means that for me to conclude that Santander did something wrong in Miss C's case, and should do something to put things right, I'd need to find that they didn't raise a chargeback in circumstances when they should have. This could be, for example, because Miss C's dispute looked to have fit within the card scheme rules. Also, I'd need to find that Miss C lost out as a result, for example, because it's likely the chargeback would have been successful, and she would have recovered her money (either in full or partially).

The relevant card scheme in this case was Mastercard, and the chargeback reason code that best fit what happened was '*goods or services were either not as described or defective*'. I say this noting that Miss C ticked the box on Santander's '*disputed payment form*' for '*my goods or services weren't as described or were damaged or defective*'.

I note though that Miss C had already complained to L about not being able to access the beach and the alleged misrepresentation of this by the hotel, and L had already said it wouldn't refund the amount Miss C had asked for. And they had done so following the hotel telling them that there were routes from the hotel to the beach exit that were step-free, and that they weren't responsible for the access to the beach section in front of the hotel as this area was outside of the hotel premises and belonged to the municipality.

I think because of this, even if Santander had raised a chargeback, it would have been defended by L. That's essentially that's what they did when Miss C complained to them. And, bearing in mind that Miss C did stay in the hotel and used their facilities for the duration of the booking, it's unlikely in my view (although I can't be sure) that Mastercard ultimately would have decided in her favour and returned any part of the cost of the holiday to her.

I do sympathise with Miss C as I appreciate that access to the beach and the sea was important to her. Chargebacks aren't though a way of determining someone's legal rights to a claim, although I would add that Miss C's legal rights in respect of claims against L or the hotel are unaffected as a result of her dispute against Santander.

Overall, looking at what happened in Miss C's case, it seems unlikely a chargeback could have been successfully raised on her behalf. So, overall, I don't think Santander acted unfairly or unreasonably by not raising one.

My final decision

For the reasons I've set out above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 2 May 2025.

Daniel Picken
Ombudsman