

The complaint

Miss D complains that Santander UK Plc (Santander) hasn't done enough to assist her in recovering money she paid for a training course with her debit card.

What happened

In June 2023, Miss D purchased a training course over the telephone and paid a £3,000 deposit. Miss D paid £2,000 of this using her Santander debit card. Once the course commenced, Miss D says she couldn't understand the videos (which formed part of the training material) and didn't receive a number of the services promised. She attempted to discuss getting her money back with the service provider (who I'll call "E") and was unsuccessful, so she brought her concerns to her bank.

In July 2023, Miss D raised a dispute with Santander but as she referenced a scam, the matter was referred to the fraud team. I understand this was not progressed further as the payments had been authorised. In August 2023, Miss D raised a chargeback dispute and Santander asked her to provide information. As not all of the information was received, the dispute was closed in September 2023.

Miss D then contacted Santander in October 2023 expressing dissatisfaction, and after re-opening the dispute, in November 2023 Santander requested much of the same information again. Miss D provided further information in November and December 2023 but as Santander felt the substantive part of what it had asked for had not been received, it said the chargeback criteria had not been met and did not raise the claim.

Unhappy with this response, Miss D brought her complaint to our service. She told us the bank failed to investigate her complaint appropriately and she has suffered a loss as a result. Miss D told us she felt pressured in to signing up for the course, the services received were incomprehensible, and many services promised were not received at all. Miss D also raised various concerns about the legality of the selling of the course.

Miss D told us about her disappointment with the way Santander had handled her disputes, including opening and closing the dispute three times. Additionally, she had concerns about being told untrue information over the telephone by the staff at Santander.

Our investigator reviewed the complaint and noted that Santander had asked Miss D to provide evidence as required by the chargeback scheme under the Mastercard rules, and what Miss D provided to it wasn't of the required standard. Based on this, she felt Santander hadn't acted unfairly in failing to process a chargeback for Miss D. Our investigator did note the service could have been better as after 4 October 2023, the dispute was out of time for the purposes of raising a chargeback and Santander should have noted this and told Miss D about this sooner. Santander offered Miss D £150 to recognise its service could have been better, and our investigator felt this was a fair amount in the circumstances.

Miss D didn't accept the investigators findings. She said she had provided what she could in terms of the cancellation policy and a description of the issues she had with the course, and there were no terms and conditions available for her to send to the bank. Miss D said that E

had said it would issue the refund if the bank raised the matter with Mastercard and the bank has let her down in failing to raise the chargeback. Miss D attributes a lot of what has happened to the way in which Santander handled her dispute including failing to have one dedicated point of contact and therefore not raising the chargeback in time. She asked for an ombudsman to consider the complaint, so it 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.

Having done so, I am upholding the complaint in part. I am not upholding the element of the complaint that looks at whether Santander treated Miss D in a fair and reasonable manner when it decided not to raise the chargeback dispute. However, I do find that the service provided to Miss D when handling the chargeback dispute could have been better. I will explore each of these in turn below.

I understand that Miss D has raised a number of concerns about the legality of E providing the training course without the appropriate memberships and other concerns about the director of E having resigned from the company but continuing to sell its training courses. I appreciate Miss D's concerns; however, I would like to make clear that although I understand these form part of her concerns about E, this is not something that I will be commenting on in this decision. I will focus on whether Santander had any liability or responsibility to assist Miss D with her concerns about E. And if it did, whether Santander handled those responsibilities appropriately.

As Miss D paid E with her debit card, the only way in which Santander was able to assist Miss D in recovering her payment was through a chargeback, in accordance with the Mastercard scheme rules.

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

Through the course of the dispute Santander did not raise a chargeback because it thought it did not have enough information to proceed. I appreciate Miss D feels strongly that this is a voluntary scheme so the bank should have worked in her best interests and submitted the chargeback dispute, however as I outlined above, it does not have to do so if there is little prospect of success. So, I will consider whether it had enough information to do so at each point that Miss D contacted it.

In July 2023, Miss D phoned Santander and reported her purchase with E to be a scam. Santander reviewed the matter and its fraud department informed Miss D that as the transactions were authorised, it could not review the matter further. It advised Miss D to raise a chargeback dispute.

In August 2023, Miss D raised a chargeback dispute. The documents she provided included her receipt for the £2,000 she paid and a screenshot of a text message she sent to E saying she has not engaged with the learning materials and would like a refund of monies paid. Santander requested a cancellation date, a copy of E's cancellation policy/terms and conditions and later sent another request also asking for a detailed description of how the service was not as described, or what was wrong with it. Miss D responded towards the end

of September 2023 with evidence of a request for a refund having been made to the merchant, a screenshot to show E reviews refund requests on a case-by-case basis and a note explaining that there is no evidence a cancellation policy. It appears the dispute was then closed as sufficient information had not been received.

Having reviewed all the documents, I find the information Miss D provided around cancellation was sufficient. She provided the information she had about cancellations and provided a text showing she had asked for a refund. Her request for a refund made her intent to cancel reasonably clear. As there was no clarity about whether any cancellation policy existed, Miss D's testimony that she had not received any information about this, and the screenshots she did provide would have been enough to proceed. But Miss D made no mention of the terms and conditions in her response, and she also did not provide the detailed descriptions requested.

For a potentially successful claim for goods and services not received, the Mastercard scheme rules specify that the supporting documents must provide a description of the cardholder's complaint in sufficient detail to enable all parties to understand the dispute, and a reasonably specific description of the goods/service purchased. I don't think there was any flexibility in Santander's ability to raise the claim on behalf of Miss D without receipt of these descriptions, and I don't see that this information had been received. So, I don't think it acted inappropriately in declining to raise a claim at this time.

Following further contact from Miss D the dispute was re-opened in November 2023. The Mastercard rules specify that a chargeback cannot be raised more than 120 days after the transaction settlement date. As the transaction was processed on 6 June 2023, by the time Miss D asked for this to be looked at again, the 120 days to raise the dispute had passed. So it was too late for the claim to be raised, and I find any failures on the part of Santander from this point onward to be irrelevant (except for the purpose of determining whether it provided good service) as it was no longer possible to submit a successful chargeback dispute.

However, I will note that in November and December 2023 Miss D explained that no terms and conditions existed, and she also provided a list of what services she had expected to receive and outlined what she did not receive. In these circumstances, I would expect Santander to carefully consider what information a customer can reasonably provide (especially when there is narrative behind why it cannot be provided) and whether it has enough to proceed on that basis. But as explained above, it was too late to raise the claim so Santander would not have been able to pursue the dispute successfully had it tried. I also note that Santander acknowledge that at this time rather than opening the dispute again, it should have told Miss D it was out of time.

So, it follows that I find Santander has not acted unfairly in failing to raise a dispute for Miss D. The scheme rules required certain information from Miss D, and this was not provided until the time in which to raise the dispute had already passed. I appreciate Miss D feels strongly that if she had the continuity of a singular case handler, she would not have been in this situation. But despite the issues she has had with customer service, I don't think Santander acted incorrectly in how it processed the information it received until the time to raise the dispute had already passed.

Lastly, it is not in dispute that Miss D had a poor customer journey so there is no need for me to cover this off in any great detail. Having looked at and considered the handling of Miss D's chargeback dispute and the other issues Miss D faced with service over the course of her dispute, I find the £150 Santander has offered Miss D to be fair.

My final decision

My final decision is that although there were some shortcomings in the way Santander UK Plc dealt with Miss D's request for her funds to be returned to her, I don't think that these were detrimental to the extent that it needs to do anything except pay her the £150 already offered, if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 7 February 2025.

Vanisha Patel
Ombudsman