

The complaint

Mr M is unhappy that Santander UK Plc have refused to refund a transaction he said he didn't authorise.

What happened

Mr M contacted Santander to report an unauthorised transaction of £398.95 made using his credit card to a retailer I'll call J, on 17 August 2024.

Santander looked into the matter but didn't uphold the complaint or provide a refund as they concluded the transaction was authorised. In summary, Santander's reasoning was that the transaction triggered a one-time password (OTP) which was inputted correctly and the originating IP address aligned with other online purchases.

Unhappy with Santander's response Mr M referred his complaint to our Service. Mr M told us that:

- He'd only placed one order with J and that was the next day on 18 August 2024 Mr M denied completing an online transaction on 17 August 2024.
- He received no OTPs for any transactions made to J on either 17 or 18 August 2024.
- Mr M had spoken with J and J confirmed that they only received one order for Mr M and that it was placed on 18 August 2024.

One of our Investigators considered Mr M's complaint but concluded that Santander had acted fairly. The Investigator thought the transaction was likely authorised because of the evidence provided in respect of the OTP and IP address.

Mr M disagreed with the Investigator's view and reiterated the points set out above. Mr M added that he was visiting friends and family on the day of the disputed transaction and didn't have his laptop with him which he used for all online purchases. Mr M later explained that he was visiting a critically unwell relative in hospital. Mr M also expressed how he'd lost faith in Santander and sought compensation for the distress that had been caused to him and his wife.

Mr M also provided screenshots showing texts he'd received from Santander. These texts contained OTPs for various retailers, including an OTP relating to a purchase on 17 August to a different retailer. Mr M also provided a screenshot of his travel receipt as evidence he'd been out on the day of the disputed transaction.

As an agreement couldn't be reached, the complaint has been passed to me for a decision.

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've seen evidence showing the correct card details including the security code, were entered to process the transaction. Based on this evidence, I'm satisfied that the transaction was authenticated using Mr M's credit card details.

But the relevant legislation states that evidence of authentication alone is not sufficient to show the transaction was authorised. Santander can only hold Mr M liable if he gave consent for the transaction.

I appreciate Mr M has said he didn't receive any OTPs but the evidence I've seen doesn't support this. Having reviewed evidence of Santander's internal system, I can see that an OTP was generated, sent to Mr M's mobile number and successfully entered.

The screenshots provided by Mr M show that an OTP relating to a different transaction was received on 17 August. Santander's system records show that the OTP for that transaction was also entered successfully. Mr M hasn't disputed this transaction, but it seems to contradict what he'd told our Service in not carrying out any online purchases on 17 August.

This coupled with the evidence that the OTP was sent to the same mobile number as we hold for Mr M, persuades me that the OTP was likely received by Mr M. I'm satisfied that the disputed transaction couldn't have succeeded without the OTP being entered and so I've considered the likelihood of a third party managing to obtain the OTP from Mr M's phone without his consent.

For a third party to have obtained the OTP, they'd have needed to take his device and replace it without him noticing. This seems unlikely given Mr M has said his phone was on his person all day.

Overall, there's no plausible explanation for how a third party was able to obtain the OTP without his consent. I've also considered that the transaction seems to have originated from an IP address that matches the IP address recorded for four other transactions Mr M hasn't disputed, including the transaction to J on 18 August. This evidence coupled with the OTP persuades me Mr M was most likely aware or involved in the transaction.

Mr M has questioned whether J has been contacted as they likely have relevant evidence that supports Mr M's testimony. I've considered whether Santander ought reasonably to have done more in this regard, but I'm satisfied they did what I'd expect. For Santander to dispute the payment with J directly, such as under the chargeback scheme, they would likely have needed information about the order such as an order number or details about the goods – but due to the situation, this information wasn't available.

I understand Mr M has said he spoke with J regarding the order placed on 17 August but they advised him they had no record of it. I've considered this, but I'm afraid without written evidence to support what Mr M's arguing I'm unable to put much weight on this. For this reason, it doesn't change my conclusion that the payment was authorised.

I've also considered what Mr M has said about being at the hospital on 17 August and how this meant he couldn't have placed an order with J. I don't wish to undermine or discredit how distressing this day must have been for Mr M and his family, but the evidence doesn't support Mr M's testimony that the transaction was unauthorised.

On balance, I'm satisfied that the disputed transaction was authorised and it's therefore reasonable for Santander to hold Mr M liable for it. I realise my outcome will likely be disappointing but for the reasons set out above I'm satisfied the transaction was authorised and so won't be asking Santander to take any action.

My final decision

My final decision is that don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 February 2026.

Freyja Dudley
Ombudsman