

The complaint

Mr S complains Santander UK PLC didn't do enough to help get a refund for transactions made on his debit card.

What happened

The facts of this case are well known to both parties, so I won't repeat them in detail here. I also acknowledge that Mr S has separately complained about Santander processing the transactions subject to this complaint. This has been considered separately by our service.

This decision, therefore, focuses on whether Santander fairly assessed Mr S' request for help in getting his money back via chargebacks, which is a process of asking the merchant for a refund, via the card scheme provider – Mastercard.

Mr S asked Santander to raise chargebacks on several transactions from 7 and 8 June 2024 with the same merchant, on the basis the amounts charged didn't match the services he'd received.

Santander declined to raise chargebacks. It said Mr S didn't have supporting evidence to show the amount he'd been charged differed to what he'd agreed to pay. Mr S complained and referred his complaint to our service.

One of our Investigators looked into what happened and didn't think Santander made an error in not raising the chargebacks. He said the process of a chargeback was set out by the card scheme provider and this included strict rules on what evidence is required to raise a dispute in set scenarios. As Mr S didn't have the necessary evidence to support the chargebacks, our Investigator didn't think Santander was wrong not to raise them, as without this evidence there wasn't a reasonable prospect of the chargebacks succeeding.

Mr S disagreed with our Investigator, so his 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.

Mr S paid at the venue using his debit card. This meant the only realistic option available to Santander in getting the money back from the merchant was via a process known as chargeback.

The chargeback process provides a way for a bank to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the merchant and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme (Mastercard) and if these are not met, a chargeback is unlikely to succeed. The process provides an opportunity for a merchant to provide a defence to the chargeback and its own evidence in support of that defence. If the merchant continues to defend the chargeback, Santander can either accept that defence, if it believes it's valid, or,

it can ask the card scheme to decide who gets to keep the money – usually referred to as arbitration.

It isn't a right that Santander must raise a chargeback every time it's asked to. But where the evidence supports the customers position and the dispute falls within the rules set by the card scheme, I'd expect Santander to do this, to support its customer. So, my decision focuses on whether it was reasonable for Santander to decline to raise the chargebacks on Mr S' behalf.

Mr S asked to raise chargebacks on the basis that the amounts he'd been charged differed to the amounts he believed he was being asked to pay.

In reviewing the chargeback reason codes set out by MasterCard, the most applicable to Mr S' dispute is: "*Transaction Amount Differs*".

A condition of this reason code is that the cardholder must provide evidence detailing the correct amount they should have been charged, such as a receipt or invoice.

Mr S has explained that he wasn't provided any receipts or invoices, so unfortunately doesn't have any evidence to show that the amount he was charged was incorrect. Mr S has raised that the amounts he was charged were significantly more than items on the menu at the venue, but this alone wouldn't be sufficient to raise a chargeback under this reason code.

Therefore, as Mr S didn't have evidence to support that he'd been incorrectly charged, I don't think Santander was wrong not to raise chargebacks for the transactions he'd disputed. I'm sorry to hear of the events that led to Mr S asking to raise the chargebacks, but there are strict rules on when a chargeback should be raised and what is needed to support this. As Mr S didn't have the required evidence as set out in the card scheme rules, I don't find that Santander made an error in declining to raise the chargebacks.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 April 2025.

Christopher Convery
Ombudsman