

The complaint

Mr B is unhappy with how Santander UK Plc have handled a chargeback dispute raised to recover the cost of a purchase he made using his debit card.

What happened

On 4 May 2024 Mr B used an airline's online booking system to purchase baggage allowance for himself and another passenger. While booking the baggage allowance Mr B says something happened with the airline's system, so he checked his bank statement and as he could not see the money had been taken he went through the process again of purchasing the baggage allowance. The cost of the baggage allowance Mr B wanted to purchase was £189.96.

However, Mr B later realised two payments of £189.96 had been taken from his bank account. Mr B contacted the airline who told him the two purchases were non-refundable and he should approach his bank about the two payments, which he did.

Santander saw the two payments for exactly the same amount and agreed to raise a chargeback for Mr B for what appeared to be a duplicated transaction. The airline responded to Santander with evidence to support there had been two separate payments of £189.96 for two different baggage allowances, so there was no duplicated transaction. On receiving this evidence Santander decided not to pursue the chargeback any further and re-debited the refund of £189.96 they had placed in Mr B's account when he first raised his concerns with them.

Mr B complained to Santander, but Santander concluded they had not done anything wrong and did not uphold Mr B's complaint.

Our Investigator considered Mr B's complaint and said it should not be upheld as Santander had fairly approached the chargeback on Mr B's behalf. The Investigator also explained chargebacks followed the scheme provider's rules and that there were limitations in terms of what parts of Mr B's complaint our service could consider.

Mr B was unhappy with the Investigator's outcome and made submissions that 'rules' in place were working against him. Mr B was particularly upset with the airline and disappointed there was no organisation protecting his money. Mr B also said there was no reason for him to purchase that much baggage allowance for a week holiday and pointed out he had only used one of the baggage allowances he had paid for.

As a resolution could not be reached the matter 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.

While I may not respond to each individual point raised and I've only included a summary of

what's happened above, I assure both parties I've reviewed all their submissions and I have focused on what I consider to be relevant to reaching a fair and reasonable resolution in the circumstances of his matter.

Before I set out my findings I think it may help if I start by explaining the role of this service. The Financial Ombudsman Service is an alternative dispute resolution service set up to resolve individual complaints based on what is fair and reasonable in the circumstances of each individual case. The Financial Ombudsman Service follows the Dispute Resolution Rules (DISP rules) found in the regulator's handbook of rules and guidance which, amongst other things, set out which firms we have the power to consider complaints about.

I say this to help Mr B's understanding that our service does not have a free hand to look at everything that is referred to us. I must apply the rules that are set in place for our service to follow. So while I understand Mr B is particularly frustrated with the airline's actions in this matter, I make clear that I have no authority over what the airline has done here. The matter brought to me to decide relates to Santander's actions only.

So what was Santander's responsibility here?

Mr B used his debit card to purchase the baggage allowance. Because Mr B used this method of payment it meant Santander, as Mr B's card issuer, had a mechanism to raise a dispute about Mr B's purchase on his behalf. This mechanism is known as chargeback and is a means developed by the different card networks to help consumers address disputes with retailers or service providers.

However, it is important to note that chargeback is not a legal right and there is no obligation on the card issuer to refund or assist in any way, although we would consider it good practice for them to do so. It is also important to note the dispute is settled by the relevant card scheme provider under the card scheme provider's rules ('the rules'). So, to be clear, these are not this service's rules and they are not Santander's rules. Santander can only raise and process a chargeback dispute within the relevant card scheme provider's chargeback rules framework. I've therefore looked to see if Santander fairly handled Mr B's chargeback within the rules.

As Mr B brought the issue to Santander as a duplicated transaction, this is the chargeback dispute Santander raised with the merchant provider (in this case, the airline). Given the amounts taken were exactly the same, I think it was fair for Santander to raise the dispute for Mr B.

In reply, the airline provided evidence to show there were two separate payments for two separate baggage allowances bought within a few minutes of each other - so Mr B had not paid twice for the same baggage allowance (i.e. the transaction was not duplicated). These were separate baggage allowances and Mr B could (even if he did not want or need to) take more baggage on his holiday if he had wanted. And as the service had been available to him before he went on his holiday there's also nothing to suggest Mr B did not receive the service he had paid the airline for – Mr B himself has said he only used one of the baggage allowances purchased. So I can't see there would have been any other dispute reason Santander could have raised on Mr B's behalf.

On assessing the airline's evidence and having discretion to consider the likely prospect of success the chargeback would have if taken any further, Santander decided not to pursue the chargeback.

It is Santander's discretion to decide whether to pursue a chargeback for a consumer and in the circumstances I think Santander have handled the chargeback fairly when they decided

not to carry on with the dispute. A chargeback is ultimately decided by the card scheme provider, not Santander, so in this case I think it's fair to say that as the airline had submitted evidence in accordance with the rules I think it was reasonable for Santander to have considered pursuing this chargeback would have been unsuccessful.

I'm aware Mr B has also raised concerns that Santander should have sent him a one-time-passcode (OTP) before either of the payments had gone through. Mr B suggests this would have helped prevent what happened, and he says it would have been appropriate for Santander to do this given the two payments made using his debit card were carried out only a few minutes apart.

I've considered what Mr B has said, but Santander have explained that not all payments require a OTP to be authorised payments, and Mr B did not dispute that it was him making the payments. I've also considered Mr B's point that he checked his bank statement before processing the second payment. However, this does not take away the fact that two separate payments were made for two separate baggage allowances so there was no duplication of payment for one service, and this is what the rules focus on for this type of dispute.

For completeness, as Mr B's transactions were made using his debit card rather than a credit card, the protections under Section 75 of the Consumer Credit Act 1974 do not apply here, so I have not considered these.

In summary, my findings are that Santander fairly handled Mr B's chargeback dispute. I think it reasonable to say much of Mr B's frustration lies with the airline and that would have to be a complaint to be taken up separately and directly with the airline.

My final decision

For the reasons above my final decision is that I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 July 2025.

Kristina Mathews
Ombudsman