

The complaint

Mr V is unhappy with the way Santander UK Plc dealt with a claim for money for a hotel stay he paid for using his credit card.

What happened

Mr V booked a hotel stay in August 2024 for seven nights with a supplier I'll call Z. He paid around £2,800 using his credit card with Santander. During the stay Mr V complained to Z about the bed creaking. Z said it visited the room and didn't find fault with the bed but tried to help by applying a solvent. It then moved Mr V to a new room on the fifth night. Mr V emailed Z and said he didn't think his experience with the bed meant Z provided what was advertised. Z didn't agree there was a breach of contract.

Mr V raised a dispute with Santander. Due to the type of dispute he wanted to raise, he was asked to call Santander and was also told that he needed to complete a disclaimer form which would be sent to him by post. Santander's notes show when Mr V asked for an alternative method of communication, it said the form needed to be sent by post, but that he could use a link to upload the requested information.

When Santander received the form, it didn't think the information it received was enough to raise a chargeback as it didn't have a reasonable prospect of success.

Mr V raised a number of complaints about the issues he faced in submitting his dispute. Santander explained the process and reasons why Mr V was required to send a disclaimer form. It investigated Mr V's concerns and initially paid him £30. It then offered a further £75 for the inconvenience caused, which Mr V didn't accept.

Santander then considered a claim under Section 75 of the Consumer Credit Act 1974 (Section 75) and didn't think it was liable for a breach of contract.

Unhappy with Santander's handling of his disputes Mr V brought his complaint to the Financial Ombudsman. He said that Santander failed to communicate with him about his claim and he was unhappy with its latest offer of compensation as it didn't reflect the time he'd spent dealing with all the issues in relation to his claim.

An Investigator reviewed the complaint but didn't think Santander needed to do anymore. She said she didn't think a chargeback would be successful based on the information Mr V gave to Santander, so didn't think it acted unfairly. Additionally, she didn't think Santander was responsible for a breach of contract or misrepresentation under Section 75. She thought the subsequent offer of an additional £75 compensation was fair.

Mr V disagreed with the Investigator. He was unhappy that Santander sent him information by post and said that he never received communication from Santander when it dealt with his claims.

As the complaint remained unresolved it's been passed to me for 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.

When considering what is, in my opinion, fair and reasonable, I must take into account relevant law and regulations; regulator's rules including Consumer Duty, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive, or contradictory, I reach my conclusions on the balance of probabilities – that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

I'm looking at Santander's actions and whether it responded fairly to Mr V's request for help in recovering his money. One way Santander could do this is through the chargeback process.

Chargeback

The chargeback process allows Santander as the card issuer to request a refund for a transaction its customer disputes. Although it's good practice for card issuers to pursue a chargeback when certain criteria are met and there's reasonable prospect of success, there are specific rules set by the card scheme, Mastercard in this case, that must be followed. If the criteria aren't met, a chargeback is unlikely to be successful. Santander asked Mr V for information and once it received it, it didn't think a chargeback had reasonable prospect of success. So, it didn't raise a chargeback claim. I don't think Santander acted unfairly. I'll explain why.

Mr V stayed for the duration of his booking but said the bed - for the first four nights was creaking and caused him sleeplessness. He said he spoke to the hotel staff face to face and then followed up by email. He provided the email exchange with Z as evidence to support a chargeback claim.

I'm sorry Mr V was upset with the experience he had when he stayed at the hotel.

I have to consider whether or not the evidence Mr V provided to Santander would've been enough to raise a chargeback. I think the most relevant condition Santander could have considered when raising a chargeback would have been services not as described or defective. I've reviewed the information Mr V submitted including the booking invoice and the email exchange between him and Z. Mr V would have needed to provide sufficient evidence to demonstrate the bed was creaking, which meant the services weren't as described or defective. And whilst I can see he's tried to do this by providing the communication with Z, I don't think this shows the bed was creaking or faulty which meant the services weren't as described or defective. Additionally, Mr V said that his claim was for a full refund, however he stayed for the duration of his booking, so I don't think that a full refund would have been agreed (even if there was evidence the service was defective). Also, as there wasn't an unused portion of the service he could claim back, it's not clear based on the evidence that a clear partial refund could've been agreed. Even if a chargeback was raised, as Z said in its

communications with Mr V that it didn't find a fault with the bed, I think it's likely that it would have defended the chargeback.

Therefore, I don't think Santander acted unfairly by not raising a chargeback because I don't think there was a reasonable prospect of success.

Section 75

Another way Santander may have been able to refund Mr V was by considering a claim under Section 75.

Section 75 is a legal protection that allows Mr V to bring a like claim against Santander where there has been a breach of contract or misrepresentation by the supplier for the supply of goods or services paid for by a credit card, under the agreement it had with him. But there are certain conditions that need to be met for Section 75 to apply. I think the value of the transaction falls within the financial limits and the correct debtor-creditor-supplier (DCS) agreement was in place for a claim to be considered.

Mr V has said that he didn't think the issues he had with the bed meant he got the luxury stay that he paid for. And because of the creaking, the bed wasn't fit for purpose. He also said he didn't think Z took steps quickly enough to resolve the issue with the bed as he was only relocated from the fifth night.

Based on the information presented I can't say there was a false statement of fact which induced Mr V into the contract, which meant there was a misrepresentation. I've also not seen enough to show that the services weren't received or carried out with reasonable care and skill. I have to bear in mind that the fault Mr V complained of, and the concept of luxury can be subjective. Other than what Mr V has said and the emails between him and Z there isn't any other supporting evidence such as photos, videos or an independent report. I'm sorry to hear Mr V was unhappy, but I don't think Santander was unfair in asking to have seen more to meet the threshold of a breach of contract or a misrepresentation that would lead to a financial reimbursement. And similar to what I've said above, I don't think it would be viable for Mr V to be refunded the full amount to reflect damages or a price reduction, even if there was some evidence of a breach of contract as he stayed for the duration of the booking.

I think Santander fairly considered Mr V's Section 75 claim based on the evidence it was provided with.

Claim handling

I've also noted Mr V was unhappy with the way Santander handled his chargeback and Section 75 claim. Specifically, the way it asked for information through post. He also said he didn't receive any communication. I can understand Mr V's concerns as he explained it was difficult for him to respond quickly due to the type of address he had. However, I can see Santander explained why certain information had to be sent by post, and when asked for an alternative method, it provided an alternative way to allow him to upload the information quicker. So, I think it tried to assist Mr V where it could.

It appears from Santander's notes and from Mr V's submission to this service that he received some of Santander's communication using the secure message system and he returned the disclaimer form which Santander sent by post. Santander has also provided copies of the letters it sent Mr V. Based on what I've seen, I can't say Mr V didn't receive *any* of the letters or emails, Santander sent him. I've also considered if there was any detriment caused to Mr V as a result of any delays, he said he experienced. As I don't think Santander

acted unfairly in its handling of the chargeback and Section 75 claim, I don't think this has impacted the overall outcome of Mr V's claims. But I appreciate things could've been made easier for him. It's not very clear why Santander needed to send some information by post but it acknowledged that it could have explained the process more clearly and paid compensation, which I think is fair in the circumstances. I don't think Santander needs to do anything more to resolve the complaint.

My final decision

Santander UK Plc has already made an offer to pay an additional £75 to settle the complaint and I think this offer is fair in all the circumstances.

My decision is that Santander UK Plc should pay Mr V £75 if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 14 August 2025.

Amina Rashid
Ombudsman