

The complaint

Mr and Ms C complain about the way in which Santander UK Plc handled their claim for a refund of money paid to (or taken by) a legal services business. The complaint has been run by a family member, so any reference to their submissions is to be read as including those made on their behalf.

What happened

Mr C engaged a business which I'll call "D" to provide legal services. Specifically, D was to advise on and write wills and powers of attorney. Mr C says he agreed a price of £3,000, although it appears that was later amended to £3,200. He made two debit card payments of £1,000 each from the joint account he held with Ms C and a further payment of £1,200 using his Santander credit card.

Mr C says however that D used his card details to take further payments until it had received a total of £9,400. D agreed to refund £4,500, but Mr C says he has still paid £1,900 more than the price he originally agreed for the services. He sought a refund from Santander.

Santander did not agree that Mr C was due a refund on his credit card account or that he and Ms C were due a refund on their joint account. The bank's main reason for reaching that view was that there was no evidence of what services D had agreed to provide at what price.

Mr and Ms C referred the matter to this service, where one of our investigators considered what had happened. He did not recommend that the complaint be upheld, for largely the same reasons as the bank had relied on.

Mr and Ms C did not accept the investigator's assessment and asked that an ombudsman review the case. In doing so, they noted that the investigator had not commented on whether the payments had been properly authorised. He had only considered whether Santander should have provided a refund under chargeback or under section 75 of the Consumer Credit Act 1974 ("section 75").

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 shall discuss first of all the argument that payments weren't authorised. I can see that, when Mr C first raised the complaint, he said that D had retained his card details and had continued to take payments from both cards. Mr C said he had not agreed to those payments. He said too that Santander should not have permitted those payments without further authorisation from him.

I can understand Mr C's argument here, but I don't believe I can safely conclude that the payments were not authorised. Many businesses will legitimately keep card details and use them to take further payments, especially where there is a possibility that fees will change or extra work might be needed. Mr C says that he agreed a fixed price with D, but there is

nothing in writing to show what he agreed. I note as well that D refunded nearly half of what it had received. That might be seen as evidence that D took payments without proper authority, but in my view it's also consistent with some agreement having been reached about what Mr C would pay for D's services.

I turn then to the chargeback claim. Chargeback is a means by which certain card payments can be challenged, through the relevant card scheme – in this case, Mastercard. Santander said that it could not process a chargeback in this case because Mr C had raised the issue outside the relevant time limit. I don't believe that was correct though. He first sought to challenge the payments in February 2024, well within the 120-day time limit which applied here.

We generally take the view that a card issuer should seek to make a chargeback claim where there is a reasonable prospect of success. I have therefore considered what information was available to Santander when a chargeback claim would still have been within time. That information was quite limited. As I have indicated when discussing the issue of authority, there does not appear to have been any written agreement setting out, for example, what services were to be provided by D, the price, the payment terms, or any timeframe.

In the circumstances, I do not believe I can fairly say that a chargeback claim was likely to succeed. It follows that I do not believe Santander should have made such a claim.

Santander also considered whether Mr C might have a valid claim under section 75, since part of the sum paid to D was paid by credit card. Under section 75 a customer who funds a transaction with a credit card and who has a claim for breach of contract or misrepresentation against a supplier can, subject to certain conditions, bring that claim against the card issuer.

In this case, I think that Mr C faces the same difficulty in bringing a claim under section 75 as he faced with a chargeback claim. There is nothing (other than Mr C's own recollection) to show what was agreed with D. For that reason, Mr C is unable to show that D did not provide what it had agreed to provide for the price which was agreed. Nor does it seem to me that he can show he has a misrepresentation claim against D.

For these reasons, I think that Santander's conclusion that it should decline Mr C's claim under section 75 was a reasonable one. At the time the claim was made, there was simply not enough evidence to support it.

I do note however that, since Mr and Ms C referred this matter to Santander, public records indicate that D has gone out of business and the company has been dissolved. Mr C has said that it did not provide the services (or all of the services) it had agreed to provide. It seems unlikely that those services will be provided in the future. So, if Mr C is able to show that he paid for services which D said it would provide but did not provide, he may be able to raise a further claim under section 75. It is not of course for me to advise him on that, and I make no comment on the prospects of success.

Based on the evidence which Santander had when considering the matters raised in this case, however, I think that it handled Mr and Ms C's claims fairly and that it was reasonable to conclude that they should be declined.

My final decision

For these reasons, my final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr C to accept or reject my decision before 19 August 2025.

Mike Ingram
Ombudsman