

The complaint

Mr W complained about the way Santander UK Plc dealt with a dispute he raised for a payment he made using his debit card.

What happened

Mr W is represented in his complaint, but to keep things simple I have referred to all submissions and actions taken as being made by Mr W.

Mr W booked a car rental using an online platform I'll call D, for around nine days at the end of July 2024. He was given a price of around 89 euros for the car rental, which was paid online and another payment of around 87 euros which included an airport fee, environmental contribution and a fee for a young driver was due on collection. D told Mr W in the booking terms and conditions that there would be other costs to pay on collection, and that there'd be a security deposit of 1,100 euros required or an insurance waiver could be taken out to cover this. Mr W said he had separate excess insurance and didn't need further coverage.

When collecting the car from the rental company, which I'll call G, Mr W said he reiterated he didn't want extra insurance and expected to pay what was confirmed in the booking. However, after signing a contract with G, and transferring money to his bank account to ensure he had enough funds, Mr W paid a total of around 482 euros including taxes, equivalent to around £408 using his debit card. This included an airport fee, environmental contribution, young driver fee and other fees for fuel and insurance. Mr W received a part payment back for around £89 for the fuel deposit after the car was returned.

Mr W contacted Santander to dispute part of the payment. He explained he thought G had acted fraudulently and overcharged him. Santander asked for more details, but after reviewing the evidence provided, said it wouldn't raise a chargeback as Mr W had authorised the transaction and agreed to the charges in the signed contract with G and received the services.

Mr W then brought his complaint to the Financial Ombudsman. An Investigator reviewed it and concluded Santander hadn't acted unfairly, as a chargeback was unlikely to succeed based on the available evidence.

Mr W disagreed, saying the contract with G differed from what he booked online with D and that fees were wrongly added. He also felt Santander hadn't acted quickly enough to stop the payment from debiting his account.

As the complaint remained unresolved, it's now 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.

Where evidence is incomplete, inconsistent or contradictory, I reach my view on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I've reviewed and carefully considered the entire file, acknowledging that Mr W has raised several different points of complaint. I've focused my response on what I believe is most relevant to the matter at hand. If I've not addressed a specific point, it's not because I've overlooked it or failed to consider it, but because I don't believe it's necessary to comment on it in order to arrive at what I believe is a fair outcome. The rules of the Financial Ombudsman allow me to take this approach.

I understand Mr W said he thinks G acted fraudulently by taking a higher sum than he expected. However, I'm only considering a complaint about Santander and not D or G. Mr W paid G using his debit card and authorised the transaction so the only recourse for Santander helping him getting his money back was through the chargeback process.

Chargeback

Chargeback is based on the relevant card scheme rules. In this case it's the Mastercard scheme rules. A card issuer can attempt a chargeback on behalf of a cardholder where they dispute a transaction with a merchant, if it meets the criteria of the rules. A chargeback is not guaranteed to succeed, and a card issuer does not have to raise one.

However, it would be considered good practice to pursue a chargeback where there is a reasonable prospect of success. Although not all circumstances where something has gone wrong with the merchant, will mean the claim is successful. Santander didn't progress the chargeback claim because it didn't think there was a reasonable prospect of success, and I don't think based on the circumstances it acted unfairly. I'll explain why.

The most relevant chargeback condition would have been "Point-of-Interaction Error". This is where a dispute is raised on the basis that the cardholder was billed the incorrect amount. In order for Santander to have raised a chargeback under this condition, Mr W needed to show that he was incorrectly billed for the charges that were applied when he collected the car.

I've carefully considered the evidence provided by Mr W and Santander. I think it's important to distinguish that there were two payments to two different companies and two contracts that I've seen. But the most relevant payment and contract is that of the transaction with G – because that's what this dispute is about. I can see that Mr W signed a contract when he collected the vehicle from G and made the payment, and this was provided as evidence to Santander when he raised his claim. Therefore, I think on balance Mr W signed to accept the contract terms, although I appreciate it was in Spanish, so understandably Mr W may not have known exactly what it said.

Mr W has said that he was billed for additional insurances, and it looks like he paid for items that were already paid for when he made an online payment. I've reviewed the online booking confirmation, and I think the online payment most likely related to the car rental itself as these charges weren't applied when Mr W collected the car on the contract. I've noted that Mr W isn't disputing the payment that was made online.

I can also see that fees for things like airport fee, environmental contribution and a young driver fee were listed both in the online booking and in the contract Mr W signed on collection with G, so I think it's likely that he did pay the total amount he was expecting towards these, although they seem to have been broken down differently on the contract with G due to the tax that was applied in total separately. Part of the terms and conditions of

the contract with G, states there is a premium office charge, where car rentals are subject to a charge of 8-12% extra on the rate. This would explain the additional charge for this.

Additionally, the booking confirmation explained that Mr W would be charged for fuel separately and I can see this as an additional charge on the contract with G. So, although Mr W was expecting to only pay 179 euros for the booking, it's clear he would have also needed to pay for the fuel, which was included in his contract with G. I can see he was partly refunded for this on his statement.

From the evidence provided it seems like the additional insurance waiver that caused Mr W's concerns was related to the 1,100 euro security deposit which was required when Mr W collected the car. The booking confirmation from D noted that a credit card authorisation was needed to cover the value of the excess, it also stated that insurance waiver could be taken to cover this amount.

G's contract also sets out a credit or debit card would be required at the rental desk to secure a security deposit, which would either be charged or temporarily blocked.

Mr W hasn't said that he provided a credit or debit card for the security deposit. I appreciate he said he had his own separate insurance and had the insurance provided by S, but I think based on the information provided, Mr W had to either give some form of security using his own funds or cover this by taking out an insurance waiver through G. I think by signing the contract with G (even though it was in Spanish), Mr W agreed to the insurance as opposed to the deposit to meet the terms of the contract and secure the car.

Santander said Mr W agreed to the contract terms with G, which included the payment of the office charge, fuel and additional insurances, so it didn't agree to raise a chargeback, because it didn't think there was a reasonable prospect of success. I can see the contract wasn't in English, but I don't think it's unreasonable that Santander relied on this when it considered raising a chargeback.

Taking all of this into account and based on the evidence I've seen I'm satisfied that Mr W was required to pay a security deposit or take out an insurance waiver. Whilst I appreciate Mr W said he didn't need it, he agreed to pay for the insurance waiver in the contract with G instead of the security deposit, the additional fees due to the rental office and for fuel charges. I've also noted in response to the Investigator Mr W said he transferred money to his account to ensure payment for the bill was covered (including the waiver), so it's likely he was aware of the charges on G's contract. I'm sympathetic towards Mr W – he paid for an insurance that he thought he didn't need, and I can understand why he is upset. However, the chargeback rules are strict, there's no reason code that can be used in relation to this situation, where Mr W may not have understood the Spanish contract or G not being clear. Ultimately, Mr W got what he paid for under the contract with G.

Based on the evidence provided I don't think there were grounds to raise a chargeback. I think on balance, that if Santander had raised a chargeback, it's likely a claim would have been defended by the merchant, as there's no evidence Mr W was incorrectly billed for these charges. So, I think Santander acted fairly when it declined to raise a chargeback as it's unlikely there was reasonable prospect of success.

I've also thought about if there were any other conditions Santander could have used to raise a chargeback, but I don't think any of these would have resulted in a different outcome.

Santander recognised that there was some confusion about the way it handled the chargeback as it closed the initial record that it had for the chargeback. However, I think it

communicated the outcome it reached once it had enough information to do so. I won't be asking it to do anything more in relation to this.

I appreciate Mr W feels strongly about this matter, however based on the information provided I don't think Santander acted unfairly so I won't be directing it to refund Mr W for the amount he paid above what he was quoted in his booking confirmation.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 July 2025.

Amina Rashid
Ombudsman