

The complaint

Mrs O has complained about how Santander UK Plc (Santander) handled her refund claim.

What happened

Mrs O purchased airline tickets from a supplier I shall call 'S' on 9 December 2024 using her Santander credit card. She paid a £300.00 deposit towards a total price of £1881.49.

She later tried to cancel her purchase on the same day, after being advised by her sister of S's negative reviews online as well as the number of stops on her flight.

S told her that she wouldn't be able to receive a full refund and instead gave her a £280.00 credit voucher along with a refund of £20.00. Mrs O was unhappy with this outcome and said she was due a full refund.

As the matter remained unresolved with S, she contacted Santander to raise a chargeback claim against S and a Consumer Credit Act 1974 ("CCA") section 75 claim ("S75") against Santander.

Santander considered her claims but felt there was insufficient evidence to show that she was due a refund based on S's terms and conditions. In addition they also said that there wasn't a valid S75 claim as she paid S as the agent rather than the airline who provided the flight service.

Mrs O remained dissatisfied and raised a complaint with Santander who sent final responses in February 2025 confirming their position. As Mrs O didn't agree, she referred her complaint to this service.

Our investigator considered her complaint but remained of the position that Santander hadn't done anything wrong. They agreed the tickets were non-refundable and so there wasn't a prospect of success under the chargeback claim. They also noted the technical issue with the S75 claim but said that in any event there wasn't sufficient evidence of a breach of contract by S.

As Mrs O remained dissatisfied, she asked for an ombudsman to issue a final decision on the matter.

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've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Santander aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mrs O paid for this transaction using a Santander credit card, both chargeback and a S75 claim could possibly help her. So in deciding what is fair and reasonable I've focussed on this.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Santander acted fairly.

The most relevant chargeback code here would be 'Credit Not Processed'. I've therefore considered the evidence available regarding this chargeback rule and whether Mastercard acted fairly when they chose not to raise Mrs O's claim.

Mastercard rules do make it clear that this code would only apply when a merchant agrees to provide a refund but doesn't do so, if they didn't disclose their refund policy at the time of purchase or if they provided a credit for a reduced amount without proper disclosure.

Mrs O said the following in her email of 10 December 2024 to S: *'As requested, I confirm £280 in the form of e-Voucher and £20 paid back into my Credit Card within 48 to 72 hours after my authorisation'*. S then sent a refund receipt the following day confirming the refund would be reflected into Mrs O's account by 13 December 2024 and that they'd require a further confirmation before they sent the e-voucher.

Mrs O then emailed S on 13 December 2024 asking for a full refund after discovering the e-voucher wasn't fully accepted with another agent and they said it would only be valid to 13% of the value. She also said she was induced to accept the e-voucher in the first place when she called S and they also advised her of the wording to use to accept the offer which she then sent by writing on 10 December 2024.

Santander considered Mrs O's submissions and declined the claim as they felt there wasn't a prospect of success if it was taken further. It's important to note that Santander doesn't decide who wins or loses a chargeback. Still, Santander could've taken the chargeback further and potentially pushed it to arbitration by the card scheme.

However, looking at the circumstances, it appears there wasn't a reasonable prospect of success here. I say this because the nature of the dispute and the evidence available means there are doubts as to how the card scheme would be able to effectively arbitrate in Mrs O's favour here.

While Mrs O said she was induced into accepting the voucher and was told to provide this in writing, I do have to consider all the relevant evidence. And beyond her testimony I've insufficient evidence this occurred. In addition I haven't seen any documentary evidence that S promised the voucher would be usable to its full value with other agents.

Finally, in terms of whether S's refund policy was made available to Mrs O, I've reviewed the terms and conditions on their site at the time the booking was made at the end of 2024. These are the same as our investigator stated in their view and says certain tickets cannot be refunded and S would need to abide to the relevant airline terms and conditions.

I also note that the booking confirmation sent to Mrs O asks her to ensure she reads their terms and conditions which confirmed the following:

"Also if you decided to cancel your booking at any stage before ticketing you will lose your initial deposit as its non refundable".

In summary, Santander had insufficient evidence that a full refund was ever promised to Mrs O by S, and likewise S's terms and conditions were clear that the deposit would be non-refundable.

I therefore can't say that Santander acted unfairly in not progressing the chargeback further as it didn't have a reasonable prospect of success based on the evidence available.

S75

S75 provides that in certain circumstances the borrower under a credit agreement has an equal right to claim against the credit provider if there is either a breach of contract or misrepresentation by the supplier of goods and services.

To assess a valid claim, Santander would've needed to consider all relevant evidence for the alleged breach of contract or misrepresentation. But for there to be a valid claim under S75 there are certain technical requirements and a part of that is there needs to be a valid debtor-creditor-supplier agreement in place. This means there needs to be a valid agreement between the 'debtor' who took out the finance and the supplier of goods or services in dispute.

Santander has said in this case that the relevant agreement wasn't in place as the payment was to S but the complaint is regarding her contract with the airline who provided her tickets. While I acknowledge that this is a key requirement for a valid S75 claim, I don't consider there is sufficient evidence the claim would've succeeded in any event.

I say this because the crux of Mrs O's complaint concerns her deposit which wasn't refunded by S. I've therefore considered this under S75 and whether S breached their contract to Mrs O in this regard.

I don't think this has occurred however, because S's explicit terms and conditions are clear that deposits are non-refundable. I don't think it would've made a difference that the cancellation request was on the same day, as the booking had already occurred, and I do think the terms are appropriately clear that a refund would no longer be due. Mrs O has said she cancelled during a cooling off period but I can't see any reference to this in S's terms and conditions where a deposit would be refundable.

S said they offered the voucher as a gesture of goodwill and the documentary evidence shows Mrs O did accept this to cover most of the deposit.

I therefore have insufficient evidence there was a breach of contract by S. I've also considered the implied terms of the Consumer Rights Act 2015 but can't see any that would be relevant or would suggest that S breached their contract to Mrs O with mind to the relevant evidence.

In summary, while I know this'll be disappointing to Mrs O, I can't say Santander did anything wrong in the handling of her chargeback and S75 claims.

My final decision

For the reasons stated, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 11 November 2025.

Viral Patel
Ombudsman