

## **The complaint**

Miss S is unhappy that Santander UK PLC refused to refund a transaction that Miss S says she didn't authorise.

## **What happened**

Miss S contacted Santander to dispute a payment made using Miss S's Santander credit card for around £750.

Santander held Miss S liable for the transaction on the basis Miss S's card and PIN were used and there was no evidence these details had been compromised.

Santander considered raising a chargeback but didn't pursue this due to insufficient evidence. As part of this process, Miss S was asked to complete forms to support a dispute but Santander ultimately felt that there was insufficient evidence to support a chargeback. When reviewing Miss S's complaint, Santander awarded Miss S £150 to compensate her for being given incorrect information relating to the suitability of a chargeback claim, prospects of success and Santander's ability to obtain more information about the merchant.

Unhappy with Santander's response, Miss S referred her complaint to our Service. Miss S was unhappy that Santander hadn't refunded her money as well as having to complete dispute forms under the pretence she'd recover her money when Santander knew this wasn't the case.

One of our Investigators looked into Miss S's complaint and, despite concluding Miss S was likely overcharged by the merchant, found that the transaction was likely authorised. Miss S disagreed and challenged the outcome on the basis Santander, and FOS, hadn't provided details of the merchant. Miss S also questioned how the matter wasn't upheld as fraud given the Investigator said they thought Miss S had likely been overcharged by the merchant.

As an agreement couldn't be reached, Miss S's complaint was 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.

When deciding this complaint, I have given regard to the relevant rules and regulations. Under the rules, Miss S can generally only be held liable for transactions that were properly authenticated and authorised – meaning transactions that were made using one of Miss S's payment tools and with her consent.

I've reviewed evidence from Santander's internal system which shows that the transaction was made using Miss S's card and PIN so I'm satisfied that the transaction was properly authenticated.

As Miss S has said she doesn't recognise the transaction, I've considered how a transaction could have been made using her card and PIN but without her knowledge and have come up with two potential scenarios: a third party compromised Miss S's card or Miss S engaged in the transaction herself but didn't notice, or was deceived in relation to, the value of the transaction. I've considered the likelihood of each scenario below.

I find it unlikely that Miss S's card was stolen or tampered with in some way. I say this because Miss S was travelling on the day of the disputed transaction and recalls using her card for various transactions throughout the day. So, a third party would have needed to take – and replace – Miss S's card in between or around Miss S's genuine transactions as they occurred at different locations. This makes the scenario unlikely in and of itself but there's also the fact that in addition to obtaining access to the physical card, the third party would then need to compromise Miss S's PIN. There are thousands of possible PIN combinations and the likelihood of a third party being able to guess the correct combination is slim.

Miss S told us that she made multiple transactions on the day of the disputed transaction. Whilst I can't know for certain, it seems likely that Miss S used her card and PIN to engage in what she thought was a genuine transaction but charged a different amount to what she was expecting. This could have been a result of Miss S being confused about the exchange rate, not noticing the amount being charged or an intentional act by the merchant to deceive Miss S.

So, S may have been the victim of an unscrupulous merchant, but, under the PSRs 2017, this doesn't mean she didn't authorise the transaction. Consent doesn't depend on Miss S being aware of all the details relating to the transaction at the time the transaction was completed. Meaning that even if the merchant intentionally overcharged Miss S, and she didn't know the merchant had increased the value of the transaction when she entered her PIN, Miss S is still deemed to have authorised the transaction by entering her PIN and is therefore liable for it.

I know Miss S wanted more information about the merchant and has made repeated requests for this information, but I'm satisfied that Santander have shared what they can. Following a payment, a bank can typically see the merchant's name and location, but these details won't always enable a bank, or a customer, to clearly identify the merchant. The merchant's name might not be recognisable as they're using their legal name as opposed to a trading name. Whilst I appreciate this is likely frustrating for Miss S, Santander can only reasonably be expected to pass on the information they have access to. I can see Miss S has questioned how an outcome can be reached with these details outstanding but I want to assure Miss S that more details about the merchant wouldn't have led to me reaching a different decision on whether the transaction was authorised.

Although this doesn't appear to be the crux of Miss S's complaint as Miss S didn't raise it following the Investigator's view, I've considered Santander's award of £150 compensation for completeness.

I can imagine Miss S might be frustrated at being asked to provide information about a transaction she doesn't recognise and Santander aren't able to provide her more information about. I can also understand that she'd be disheartened to hear there was no reasonable prospect of recovering her funds after thinking there was a chance. On balance, I'm satisfied compensation is the most reasonable way to remedy the impact on Miss S and £150 is in line with what I'd likely have directed Santander to pay if they hadn't made an award already. I appreciate my decision will likely be disappointing for Miss S because she's understandably upset to be out of pocket. But, having carefully consider the full circumstances of Miss S's complaint, I'm persuaded the transaction was authorised and so I can't reasonably hold Santander liable for the transaction when the relevant regulations say differently.

**My final decision**

My final decision is that I don't uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 11 March 2026.

Freyja Dudley  
**Ombudsman**