

## The complaint

Mr D is unhappy that Santander UK Plc won't refund a credit card payment he made as part of a scam.

## What happened

Mr D wanted to fly his family to South Korea to see his friends. He thought he'd found flights using a well-known travel search engine – and after entering his details on the website he was called by someone posing as agent. On 27 March 2023 Mr D paid £3,296 over the phone, using his Santander credit card. The charge on his statement was to a legitimate, but different, travel company to the one he believed he was dealing with. Around a week later he paid a further £877.20 using his credit card, with that payment going to another genuine travel company. The remaining amount was paid for on debit card, from a joint current account, also with Santander, as the limit had been reached on the credit card account. Mr D received documents seemingly confirming the flights – with two different travel brokers mentioned on the paperwork (but not the merchants the payments had gone to).

Mr D was due to fly on 31 July 2023, but shortly before the agent got back in touch and said a further payment was due or the flights would be cancelled. Mr D became suspicious, as he thought he'd paid for everything, so he queried this with the agent but got no response. He then checked with the airline, who said there weren't any flights booked in his name – which is when he discovered he'd been scammed.

Mr D reported the matter to Santander while abroad on 2 August 2023, and the bank raised disputes about the payments, including the ones on his credit card. A chargeback form was completed with all the details, but Santander wrote back to say it needed more information a few times. Mr D says he spoke to Santander each time a letter was received to explain he'd provided everything he could.

The merchants defended the chargeback claims, and said the services paid for with the disputed card transactions had provided – but Mr D's details weren't on the invoice (the services had been provided to a different customer). Santander subsequently declined the chargeback claim and re-debited the transaction amount. The bank also considered whether a claim could be made under section 75 of the Consumer Credit Act (CCA), but decided that also wasn't possible. Unhappy with the outcome, Mr D raised a complaint.

Santander's first response on 2 November 2023 said it couldn't raise a chargeback now due to it being outside of the timescales for doing so. But the bank did pay £100 to apologise for not investigating it as a scam when he first reported things. Santander's fraud team subsequently declined the scam claim, which prompted another complaint being raised – and in that final response the bank said it hadn't been provided with enough evidence to support a successful chargeback claim.

Mr D referred the complaint to our service for review. One of our investigators considered everything and didn't think Santander ought to have done more to prevent the fraud. She didn't think the transaction would have looked suspicious enough to have prompted further checks. The investigator also concluded the decision to decline the chargeback and section

75 claims were fair. A separate complaint was referred to us under a different reference about the debit card transaction.

Mr D didn't agree with the investigator's view and asked for an ombudsman to reconsider things. So the complaint was passed to me for 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.

Having done so, I've decided not to uphold the complaint. I know this isn't the answer Mr D was hoping for, and so this will come as a disappointment. I was also very sorry to hear about what happened – it must have been very upsetting to realise he'd been scammed only a few days away from his holiday. This decision only covers the payments made on his credit card, and we've separately investigated the debit card transaction. I know Mr D expected to be protected if something went wrong, as he'd paid on card – but unfortunately these payments aren't covered for a refund. I'll explain why.

It's not in dispute that Mr D has been scammed. The payment in question was also 'authorised' by him, in the sense that he approved it – albeit under the false belief it was to pay a legitimate travel broker for flights. Santander has a responsibility to detect and prevent fraud where reasonably possible, and to also assist its customers in attempting to recover stolen funds once reported. So I've thought about whether Santander ought to have prevented the loss from occurring, and I haven't found that's the case here.

Though the payments were larger than the typical spend on the account, they weren't concerningly large. One off larger payments on a credit card aren't necessarily unusual – a lot of customers use them in that way, to help make paying back larger expenses more manageable. There was a significant time gap between the two amounts as well and an obvious scam pattern wasn't forming. So I don't think these payments ought to have prompted fraud checks prior to processing them. In other words, I haven't found that Santander should have realised Mr D might be falling victim to a scam when he made either transaction, or taken further action to protect him at those points.

Turning to Santander's responsibility to assist with recovery, because these were card payments the chargeback scheme (Mastercard in this case, according to the bank) is relevant. The card scheme has rules that aim to sort out certain straightforward disputes between cardholders and merchants. There's also an arbitration stage if it can't be resolved at bank level. Santander provided different explanations for why these weren't covered for refunds under the chargeback scheme – ranging from the claim having been raised out of time, to not enough information being provided. At no point, as far as I can tell, did the bank explain clearly and simply to Mr D why the scheme doesn't offer protection in this scenario. Instead Santander sent several letters asking for the same things – which Mr D could never supply, given the nature of the scam.

I went into some detail about why a chargeback claim doesn't succeed in this scenario, in the decision on the linked case Mr D has already received about the debit card transaction – so I won't repeat that all here. But, essentially, the chargeback scheme provides protection for the genuine travel agents (those appearing on his statement) in circumstances where they have likely already provided the services (just not to Mr D in this case) at a cost to them; and took steps (through two-factor authentication) to ensure that the card was being used with the consent of the genuine cardholder. The merchants did likely provide the services paid for by disputed transactions, and Mr D did authorise the payments at the time via the app – so chargeback claims, that the goods or services weren't received, wouldn't

succeed here.

There is additional protection for payments on credit cards, due to section 75 of the CCA – which holds the lender (Santander in this case) jointly responsible for any breaches of contract or misrepresentation by the supplier of the goods or services (here that's the merchants on the statement). For a claim to be successful there has to be what's known as a valid 'debtor-creditor-supplier' (DCS) agreement – meaning there must be a connection, usually contractual, between the person buying the goods, the credit card provider, and the supplier of the goods. But there isn't a link in this case, as the debtor (Mr D) has no contractual relationship with the supplier (the genuine travel agents) – his paperwork evidences an agreement with different (likely fake) travel companies. So the required DCS connection isn't present here. I know Mr D expected to be covered if something went wrong, and although section 75 does provide a route to recovery in some specific scenarios, it unfortunately doesn't cover a refund in this one.

Santander has paid £100 for the poor service it gave in connection with the claim, and I think that's fair in the circumstances. I've no doubt the communication with the bank about the dispute and time spent on it will have been frustrating, but I think that amount covers the inconvenience caused. I know Mr D has mentioned the call costs incurred when phoning abroad, and those are certainly unfortunate – but I don't think they arose from a mistake Santander made. So I don't think the bank can fairly be expected to cover them.

I want to reiterate how sorry I am that Mr D had this money taken. But, having considered the complaint, I don't think Santander is liable for the loss in these circumstances.

### **My final decision**

My final decision is I don't uphold Mr D's complaint about Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 October 2025.

Ryan Miles  
**Ombudsman**