

The complaint

Mr B complains that Santander UK Plc hasn't reimbursed a payment made in relation to a scam.

What happened

In January 2025, Mr B attempted to purchase flights from someone he now believes was a scammer. He shared his credit card information for the purpose of paying for flights, but closer to the time his family were supposed to travel it became clear there wasn't a booking in place for them. Mr B disputed two payments, one of which has been reimbursed following a chargeback claim. However, the chargeback for one of the payments was defended by the merchant on the grounds that the service had been provided.

Santander declined to reimburse Mr B on the basis that the payment was authorised, and the merchant did provide the service paid for (even if this wasn't for the benefit of Mr B).

When Mr B referred his complaint to our service the investigator didn't uphold it. In summary they thought Santander had dealt with the dispute fairly. The investigator said they thought the payment was authorised and didn't think Santander ought to have done more to prevent, recover or otherwise reimburse the payment in the circumstances.

Mr B didn't agree, he said the payment he authorised was for a service that wasn't provided.

As an agreement couldn't be reached, the matter has been passed to me for consideration by an ombudsman.

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'm not upholding this complaint for similar reasons to the investigator.

As one payment has been reimbursed, I'll focus on the remaining disputed payment.

Has Santander acted fairly in treating the payments as authorised?

Under the relevant law - the Payment Services Regulations 2017 (PSRs) – the starting point is that Mr B is liable for payments he authorised. Santander is generally expected to reimburse unauthorised payments.

Where a payment is authorised, that will often be because the customer has made the payment themselves. But there are other circumstances where a payment should fairly be considered authorised, such as where the customer has given permission for someone else to make a payment on their behalf or they've told their payment service provider they want a payment to go ahead.

It's common ground that Mr B has been the victim of a scam here. Mr B says he shared his

card details with someone impersonating a travel agent and agreed to them using this to purchase flights. While this is what happened, the scammer appears to have purchased different flights for other people. As Mr B didn't know this until closer to the time his booking was due to take place, he wasn't initially concerned by the payment that debited his account.

Based on this, I consider that Mr B did authorise the payment as he agreed to the third party making a payment on his behalf. The details such as who the flights were booked for, the destination and date are related to the underlying contract with the merchant rather than the agreement for the third party to make a payment on his behalf and the request for payment Santander received.

Did Santander miss an opportunity to prevent Mr B's loss?

In broad terms, the starting position at law is that Santander is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the PSRs and the terms and conditions of the customer's account.

But, taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Santander ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr B's credit card statements. Having considered when the disputed payment was made, its value and who it was made to, I'm not persuaded that Santander ought to have found it suspicious, such that it ought to have made enquiries of Mr B before processing it. It isn't unusual for customers to make occasional higher payments for things like holidays, and the value of this payment was still relatively low in terms of what Santander is likely to process regularly.

Should Santander have done more once Mr B reported the scam?

As the payment was made using Mr B's credit card, I've considered both whether Santander ought to have recovered the payment via the appropriate channel, here a chargeback. And whether it had any liability itself to reimburse the payment.

In terms of Santander's liability – there are occasions where under section 75 of the Consumer Credit Act a credit card provider can be held equally liable for breaches of contract and misrepresentations by the merchant. However, this requires the relevant relationship to be in place – known as a debtor, creditor, supplier relationship. Here that relationship has been broken by the scammer as Mr B (as the debtor) never had a contract with the genuine merchant. It follows that a claim under Section 75 would be unlikely to succeed.

Turning to Mr B's chargeback rights – this route is run by the card scheme provider to resolve payment disputes between customers and merchants – subject to the rules they set. When Santander began the chargeback process, it was defended by the merchant who provided information about the service it had provided i.e. the flights it did book that weren't in Mr B's name. Based on this I don't think Santander acted unreasonably in not pursuing the matter as it didn't have a reasonable prospect of success.

While I appreciate Mr B has been the victim of a scam and therefore didn't receive what he thought he was paying for, for the reasons explained I don't think Santander needs to anything further to put matters right.

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 B to accept or reject my decision before 17 March 2026.

Stephanie Mitchell
Ombudsman