

The complaint

Mrs D is unhappy with how Santander UK Plc (Santander) handled a refund claim she made.

What happened

Mrs D used her Santander credit card to purchase legal coaching services from a firm I shall call 'J' in August 2024 to the sum of £360.00.

However, she found that the services provided during her online calls to them were not to the standards she expected. As the matter wasn't satisfactorily resolved after she raised her concerns with them, she contacted Santander to raise a refund claim.

As the transaction was made through a payment processor I shall call 'N', Santander referred Mrs D to them in the first instance. Unfortunately N couldn't provide a refund for her and so Mrs D raised the issue with Santander again.

Santander considered her claim but felt the evidence she had submitted was insufficient to raise it under chargeback. However, they noted that their customer service during the claim could've been better as Mrs D had to call several times during the process. Santander therefore credited her account with £50.00 as a goodwill gesture to address what had happened.

Mrs D remained dissatisfied and brought her complaint to our service to consider. Our investigator reviewed the available evidence and noted Santander had offered to pay an additional £100.00 to address the handling of the claim.

However, they didn't think Santander had done anything wrong as they agreed there wasn't sufficient evidence to progress the claim further. They also noted that while Santander hadn't raised a Section 75 (S75) claim under the Consumer Credit Act 1974 (CCA), there wasn't sufficient evidence available in any event, to show there had been a breach of contract or misrepresentation here. As a result, our investigator considered the £150 compensation payment to be appropriate for Santander's general handling of the claim.

Mrs D didn't agree and 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. I say this noting that Mrs D has taken substantial time to provide a large volume of submissions and I do appreciate this. However, I must focus on what is most relevant regarding this complaint, which is whether Santander did anything wrong in the handling of Mrs D's claim. 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 D 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 Mastercard acted fairly.

The most relevant chargeback code here would be 'Goods or Services were Either Not as Described or Defective'. I've therefore considered the evidence available with regard to this chargeback rule and whether Santander acted fairly when they declined to progress Mrs D's claim further.

These card issuer rules require sufficient evidence to be provided for a chargeback to be raised. I've reviewed the Mastercard rules for this type of dispute and Santander would've needed to see:

- evidence Mrs D made the purchase;
- evidence she didn't receive what she paid for (in this case, the service promised); and
- enough detail about what was purchased to understand the dispute.

In this case we do have an invoice for Mrs D's purchase and she provided correspondence between herself and J, although both parties didn't agree on whether the services were provided as required.

Mrs D in her email to J on 30 August 2024 stated that her online call with them fell short of what had been expected and that she wanted a refund. J replied that they had reviewed 200 pages of submissions and a brief would follow with the legal guidance required and a case strategy. Mrs D stated that as she was disappointed with the prior call, she didn't want any further work to be done

I note from J's invoice that there is a breakdown of what would be covered in the 'Merits assessment' which would be the advice given as a part of this service. However, beyond Mrs D's account of what had happened, and also the email communications with J, there isn't any further evidence as copies of the video calls haven't been available.

J's terms and conditions also state that *"any drafts, opinions and answers in relation to any matters is purely for your consideration only – and indeed is not a substitute for legal advice, representation or otherwise"*.

I can't say there would've been enough for Santander to progress the chargeback claim with consideration to Mastercard's rules. I say this, firstly because chargeback claims are generally suited for far more straightforward cases than this, and secondly, there is little evidence available here on what happened during the call itself.

I see the invoice states that a one hour phone or online call would be provided for legal coaching followed by a follow up brief on the prospects of success. It would've been difficult to ascertain if the coaching had been to a required level even if the videos had been provided, and in this case Mrs D declined the follow up brief as well.

With all of this in mind, I can't say Santander acted unfairly in not progressing the claim. Under Mastercard's chargeback rules, I can't say there was enough to allow them to do so.

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 I'm satisfied they've been met here.

Although Santander didn't raise a S75 claim, Mrs D's refund request meant they should've considered one. So I've assessed whether there is sufficient evidence for a successful claim here. To do that, I've considered both the explicit terms of the contract, as well as the implied terms of the Consumer Rights Act 2015 (CRA) as these are the standards Santander would've needed to apply. Section 49 (S49) of the CRA is particularly relevant as it states that *"every contract to supply a service is to be treated as including a term that the trader must perform the service with reasonable care and skill"*.

I've referred to the explicit terms of the contract prior and these are very limited. Therefore when considering S49 of the CRA and the subjective nature of the quality of service provided, it would've been difficult to establish these calls weren't to a reasonable care and skill if they had been available. As they weren't, it's not possible to then consider this in any further detail and what transpired.

I therefore can't say there is sufficient evidence of a breach of contract under S75. In addition, for a successful claim for misrepresentation, there would need to be evidence of a false statement of fact. In this case, as there is little evidence to show the actual service that was given beyond Mrs D and J's comments, I can't say there is sufficient evidence that there has been a false statement of fact regarding the service provided.

I do note however that there seem to have been several deficiencies in the chargeback claim handling itself. I won't go into detail here on this as Mrs D has outlined this in her submissions and Santander has also commented on this – but this does include Mrs D calling Santander numerous times regarding the claim, and the confusion caused by the letter requests for further information even though Mrs D had already sent her submissions.

Santander also mentioned they had 120 days under Mastercard rules from the date of the service to be provided sufficient evidence to progress the chargeback claim. While this elapsed in December 2024, there wasn't further information available that would've allowed Santander to progress the claim within Mastercard's rules.

I also note that Santander didn't raise a S75 claim – and while I don't think it would've succeeded in any event, it would've been appropriate to do so here once it was concluded that a chargeback claim wouldn't be progressed.

I also want to comment on the fact that Santander asked Mrs D to raise a claim with N first. While I appreciate Santander could've raised a chargeback claim at the same time, it would've been appropriate to pursue all reasonable avenues and so I can't say Santander were wrong to suggest this.

Santander's original offer didn't seem appropriate for what'd happened. The additional £100.00 I think is more reasonable, bringing the total compensation for distress and inconvenience to £150.00. I think this is a fair outcome for the service provided – however I can't agree that Santander did anything wrong in not progressing the claim further.

As stated, I also don't think there was sufficient evidence to show there was a breach of contract or misrepresentation under S75 either and so I won't be asking Santander to do anything more.

My final decision

My final decision is I uphold this complaint. Santander UK plc must:

- Pay £100.00 to Mrs D for the distress and inconvenience caused, which is in addition to the £50.00 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 22 December 2025.

Viral Patel
Ombudsman