

The complaint

Mr S is unhappy with how Santander UK Plc handled a chargeback for goods he bought using his debit card.

What happened

I issued my provisional findings to both parties setting out why I did not think Mr S's complaint should be upheld and invited both parties to provide any further submissions in reply to my provisional decision.

The background to this complaint was set out in my provisional decision together with my provisional findings, which are copied below and now form part of this final decision.

Background

In early February 2024 Mr S bought a watch for £31,950 online from a specialist merchant. The merchant sent the watch to Mr S's delivery address using a public courier, but Mr S says he did not receive it.

Unable to resolve the issue with the merchant, Mr S contacted Santander in mid-April 2024 to ask that they reclaim the funds from the merchant.

Santander submitted a chargeback, but the merchant defended the claim and eventually Santander took the chargeback to the final chargeback stage of arbitration. The card scheme provider decided in the merchant's favour. Santander confirmed this to Mr S in early November 2024.

During the course of the chargeback process Santander also made some enquiries about Mr S's account and eventually closed the account in October 2024 after giving notice.

Mr S complained to Santander that they had not done enough to help him with his dispute, but Santander said they had not done anything wrong.

Our Investigator considered Mr S's complaint should be upheld as they did not think the watch had been delivered to Mr S's address.

Santander strongly disagreed as they said the chargeback process had been followed with the information available.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've only included a summary of what's happened above, and while I may not respond to every point each party has raised, I have reviewed all the submissions available and focused on what I consider relevant to reaching a fair and reasonable resolution in this matter.

Mr S bought the watch using his debit card, so the mechanism available to Santander to attempt recovery of the funds was chargeback. I make clear at this point that my considerations are limited to Santander's actions only as the provider of financial services.

Chargeback follows the strict rules of the card scheme provider (in this case Mastercard). There is no legal obligation on the card issuer (in this case Santander) to refund or assist the cardholder in any way, although it would be considered good practice for them to do so where there is a reasonable prospect of success.

The card schemes are not within the jurisdiction of the Financial Ombudsman Service, so I cannot say how the card scheme should run their chargeback; however, I can consider whether the card issuer has fairly followed the chargeback rules.

Mr S does not dispute that he paid for the watch using his Santander debit card, but he claims he has not received the goods in question. In the circumstances I think Santander fairly raised the chargeback using the reason code Goods or Services Not Provided, as this was the most likely of the reason codes available to have had any prospect of success.

Under this reason code the scheme rules required certain information to be submitted in support of the chargeback. One way of doing this was for the cardholder to complete a specific form.

Santander sent the relevant form to Mr S more than once to the correspondence address they held for him. The form listed several pieces of information to pursue the dispute and the covering letter highlighted the need to carefully read the form and complete all the steps, as without the information Santander would not be able to help. Mr S returned the form in late May 2024 and provided some of the information requested.

There are strict time-limits which apply for chargeback, and under this particular reason code I can see that Santander submitted the chargeback claim as late as possible, which was a few days after receiving Mr S's form. Santander therefore submitted the claim with the information they had available. In the circumstances, I don't think this was unreasonable.

Under the chargeback process the merchant was entitled to defend the chargeback explaining why they were doing so, with supporting documentation. The merchant did this within the required timeframe under the rules and their rebuttal was passed to Santander as the card issuer.

Santander wrote to Mr S in mid-July 2024 to let Mr S know the merchant was defending the chargeback. The correspondence listed what Mr S needed to do in order to continue with the chargeback, and shared with Mr S documentation received via the merchant that the watch had been delivered. The letter required a response within 14 days.

Santander did not receive a reply from Mr S. They attempted to call Mr S several times early in September 2024, but without being able to speak to Mr S, Santander's options were, at that point, to either not take the chargeback any further or to proceed to arbitration.

Arbitration is the final stage of the chargeback process where the card scheme provider makes the final decision about a dispute. I would point out that Santander are not Mr S's advocate, rather they work within the framework of the chargeback rules and there was no requirement for them to take the chargeback any further at this point.

However, Santander made the decision to take the chargeback to the final stage of arbitration in mid-September 2024. And I can see that they put forward Mr S's case, which

included reference to the courier's communication Mr S had shared, that the courier had accepted an error on their part.

The card scheme provider determined the outcome according to the chargeback rules and concluded Mr S's claim did not succeed. Neither Santander nor I can change that decision.

I'm aware Mr S feels strongly about the evidence he has, but the card scheme provider was made aware of this and their decision now can't be changed.

From the available evidence and submissions I think Santander took reasonable steps to follow the chargeback process. I realise Mr S says he did not receive certain pieces of correspondence from Santander, but Santander were using the last known correspondence address they held for Mr S since July 2010. From what I've seen Mr S accepts he had not changed his address, so I can't hold Santander at fault for this. And I note that Mr S was able to receive Santander's correspondence given he returned the chargeback form to them.

Even if I were to accept there was anything more Santander could have done (which I don't) during the chargeback process, it is not possible to know what the card scheme provider may have then decided with any other information.

It is clear the merchant was strongly defending the claim and given the complexity of what had happened, it would be unlikely the card scheme provider would have been able to carry out the type of investigation perhaps best suited to these particular events. I say this because I'm not aware of any authority the card scheme provider would have had to call and cross-examine witnesses (such as the courier service or any other third-parties) any more than this service would. I therefore think the chargeback forum may not be the best suited to this type of investigation to get to the bottom of what happened.

Overall, in the circumstances, I think Santander's handling of the chargeback was fair and reasonable given the evidence and submissions that were available to them at the relevant times.

Responses to my provisional decision

Mr S strongly disagreed as he maintained Santander had not done enough to put his version of events and evidence across to the card scheme provider, and had Santander done so that the card scheme provider would have found in his favour.

Santander accepted the findings in the provisional decision and made no further submissions.

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.

And I assure Mr S that I have listened to the call he had with our Investigator in which he explained his reasons for disagreeing with the provisional decision.

Having reviewed the complaint again, taking into account Mr S's most recent submissions, I have not seen enough to persuade me to depart from the conclusions I reached in my provisional decision.

There is no new evidence for me to consider and as I explained in my provisional decision, I think Santander fairly handled the chargeback dispute within the confines of the card

scheme provider's rules. It was also not Santander's responsibility to get to the bottom of what happened in the way that Mr S may have expected. As I mentioned in my provisional decision, in the circumstances, Santander are not an advocate for Mr S in this matter. I also think Santander did make the card scheme provider aware of Mr S's submissions about the courier - so I don't think they could reasonably have done any more than they did. The decision then rested on the card scheme provider, and that decision was final and not something that Santander could appeal or change.

I do realise this will be disappointing to Mr S, but I have not found that Santander have done anything wrong on this occasion or acted unfairly.

My final decision

For the reasons above, my final decision is that I do not uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 November 2025.

Kristina Mathews
Ombudsman