

The complaint

Mr G is unhappy with the way Santander UK Plc has handled his claim for a refund for a climbing expedition.

What happened

The circumstances of the complaint are well known to the parties so I'm not going to go over everything again in detail. But, to summarise, in November 2024, Mr G booked an 18-day climbing expedition through a travel company. The total cost was \$4,380 USD, of which Mr G paid \$1,840.86 using his Santander credit card.

Mr G says several advertised services weren't provided during the trip. He requested a partial refund of \$828.50 to cover the loss of these facilities, additional accommodation costs, and compensation for reduced enjoyment. When the travel company refused, Mr G submitted a claim to Santander under Section 75 of the Consumer Credit Act 1974 (S75 CCA) in January 2025.

Santander rejected the claim, stating the travel company denied failing to provide services and that Mr G had not raised these concerns during the trip. After Santander maintained its position, despite receiving supporting evidence from Mr G, he escalated the complaint to our service.

Our Investigator upheld the complaint and recommended a partial refund for services the travel company hadn't provided to Mr G:

- A refund of \$140 reflecting the loss of hot showers
- A refund of \$100 as the heated lounge dome wasn't provided
- A refund of \$180 reflecting intermittent and limited WIFI access

She recommended 8% simple interest on each of the refunds, from the date Mr G paid for the trip until the date of settlement. The Investigator also thought about a potential chargeback claim but said it wouldn't have led to a better outcome for Mr G.

While Santander agreed to the refund amounts, it said 8% interest should instead be paid from the date it had declined the claim, because this would be when Mr G ought to have been reimbursed. Mr G said he wanted a higher refund for the WIFI services, and additional compensation. As the parties didn't agree after the Investigator reviewed their comments, the case was passed to me for a final decision.

I informally contacted both parties to explain I intended to amend the award so that Santander applies interest from 13 May 2025, the date it rejected Mr G's claim. I also considered it fair for Santander to use the exchange rate from that same date. In addition, I proposed awarding £150 compensation because Santander had not provided Mr G with reasonable support while handling his S75 CCA claim.

While Santander accepted my proposals, Mr G didn't. He asked that the exchange rate for the refunds be set at 1.25 USD to 1 GBP, as this was the rate he paid in November 2024. He also asked that compensatory interest be applied from November 2024, when he paid for the trip, rather than from the date Santander rejected the claim. In addition, Mr G sought £325 compensation, halfway between my proposed award and his own request. I shared these comments with Santander, but it didn't wish to make a further offer. I've therefore issued my final decision on how to resolve the case.

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 considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I think the complaint should be upheld.

The reasons for upholding the S75 CCA claim in part are well known to both parties. Santander and Mr G broadly agree on the services not provided by the travel company, and accept the amounts listed above as part refunds for these services. They also accept the finding that a chargeback claim wouldn't have led to a better outcome for Mr G.

As my role is to resolve things quickly and informally, I've instead focused my decision on the parts of the remedy Mr G hasn't accepted – namely, what interest and exchange rates should apply to the refunds, and how much compensation Santander should pay to Mr G. But I want to reassure both parties that I've fully reviewed and considered everything they've submitted when making my decision.

Compensatory interest

I've considered how to fairly put things right with regards to the compensatory interest in this particular case. I'm awarding interest here to reflect loss of use of the funds from the point I think Santander ought to have upheld Mr G's claim.

I'm mindful Mr G would have always been without use of the funds after making the purchase, and he agrees he did receive some of the services he paid for. But I think Santander reasonably ought to have upheld the claim from 13 May 2025 – after this time, Mr G lost the chance to make use of the money due in the refund because of something Santander did wrong.

For this reason I think it's fair to award interest on top of the refunded amounts at 8% simple annual rate from 13 May 2025 until the date Santander settles the claim.

Exchange rate

Mr G also wants Santander to use a currency conversion rate of 1.25 USD to 1.0 GBP when refunding the payments, as he says this was the rate used when he paid the travel company.

The terms and conditions of Mr G's credit card don't say what exchange rate Santander will use for refunded payments – so it's up to my discretion to decide how Santander should convert the refunds. I asked Santander what it would do here, and it says it would usually apply the exchange rate at the date of the refund. But, if this is less favourable to Mr G, it would cover the difference with the original exchange rate he paid as a goodwill gesture.

I think the difference between the exchange rates is likely small, so to keep things as simple as possible I think Santander should refund the payments above, using the exchange rate Mr G paid the travel company in November 2024, as he says this is the preferable rate.

Other considerations

I've also thought about how Santander has handled Mr G's claim for a refund. I'm sorry to hear Mr G has had to spend a lot of time disputing the claim with the travel company and Santander. I've looked at what happened and I found:

- Mr G says he tried to provide information on the phone number printed on Santander's letters, but couldn't speak to the right team.
- Mr G provided evidence of a breach of contract caused by the supplier, but I don't think Santander fairly considered this. I'm not persuaded Santander fairly weighed this evidence against the response from the travel company – and it didn't make it clear to Mr G how it had reached its outcome on the claim.
- Overall, I said Santander ought to have upheld Mr G's complaint from 13 May 2025, when it had all the evidence it needed to demonstrate the breach of contract.

I can't say what would have happened had Santander upheld the claim sooner, or if it had provided Mr G with better service. But I think Santander missed several opportunities to clarify its position to Mr G and address the detailed evidence he provided. This in turn caused a delay upholding parts of the claim, and I think it added to the stress Mr G experienced with the claim.

I've carefully considered what a fair award should be for the impact of Santander's actions. Mr G says he experienced considerable distress and inconvenience and requested £325, based on his interpretation of the awards on our website. While I acknowledge the inconvenience Mr G faced in pursuing his claim, I must also consider that some disruption is normal when making a claim under S75 CCA. The award I am making reflects the impact caused specifically by Santander's handling of the claim.

I've thought carefully about what Mr G told us about how he was affected, but I still think an award of £150 is fair. I say this because I'm persuaded it took Mr G a reasonable amount of effort to resolve things after Santander made some mistakes when handling his claim.

My final decision

My final decision is to uphold this complaint. Santander UK Plc needs to pay Mr G the following amounts, using the exchange rate it applied to the transaction on 18 November 2024 when converting these refunds to GBP:

- \$140 reflecting the loss of hot showers
- \$100 as the heated lounge dome wasn't provided
- \$180 reflecting intermittent and limited WIFI access

Santander UK Plc must add 8% simple annual interest* on each of the refunds above, calculated from the date the claim was declined on 13 May 2025, until the date the settlement is paid.

In addition, Santander UK Plc must pay Mr G £150 compensation for the reasons set out above.

*If Santander UK Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much tax it's taken off. It should also give Mr G, a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 February 2026.

Hannah Dunkley
Ombudsman