

The complaint

Ms A complains that Santander UK Plc treated a payment made on her credit card as a 'quasi cash transaction', resulting in additional interest and fees, that she feels are unfair.

What happened

Ms A holds a credit card with Santander; she says it came with a promotional 0% rate for purchases and balance transfers.

In 2025, Ms A made payments to a third-party company, who I'll refer to as "M". Following these payments, Ms A was charged fees and interest. Unhappy, Ms A complained. She said the 0% promotional rate was still in place, and therefore, she should not be charged for the payments in question.

Santander responded. They said that having reviewed Ms A's complaint, they were satisfied the charges were applied correctly. They said that while interest wasn't charged on balance transfers and purchases within a promotional rate period, the terms of Ms A's account explain that interest is still charged against cash transactions. Those terms go on to explain that as well as cash withdrawals, cash transactions include, amongst other things; payments for travellers' cheques; gambling; buying foreign currency; and other similar payments which they refer to as 'quasi-cash transactions'.

Santander said that the payments Ms A was making were to a company that helps customers buy, sell, and trade cryptocurrency. So, they were satisfied this met the quasi-cash definition, and as such, that the fees and interest were charged correctly. As a gesture of good will, they offered to refund charges for one statement period totalling £94.71, and they later increased this offer to £141.

But Ms A remained unhappy. She said that when she spoke with Santander to authorise the payments that were initially flagged, at no point did the call handler explain that the transactions would be treated as quasi-cash, or mention the fees and interest associated with those payments. So, Ms A brought her complaint to our service.

An investigator considered the matter but didn't think the complaint should be upheld. In short, he said he was satisfied it was reasonable to treat the payments as quasi-cash. And he felt that the terms were clear that such payments would attract interest and fees. So, he was satisfied these charges had been applied fairly, and in line with the account's terms.

Ms A remained unhappy, however. She reiterated that she felt that at the time of the call to authorise the transaction, Santander should have done more to highlight what this transaction would be classed as, in line with rules set out in within the Financial Conduct Authority ("FCA") Handbook under the Consumer Credit sourcebook ("CONC") section 4.2.5R. Ms A also highlighted at this point, amongst other things, that she was unhappy that Santander failed to respond to a formal written complaint she raised in August 2025.

So, the case has been passed to me, an Ombudsman, to decide.

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, and while I accept this may be disappointing for Ms A, I've reached the same conclusions as the investigator, and for broadly the same reasons.

Ms A has set out her position at some length, and I'd like to pass on my thanks to her for the level of detail she went into in providing this information, but I've not commented on each and every point raised. Instead, I've focussed on what I consider to be the crux of the matter. I hope Ms A won't take that as a discourtesy, but our role is to be an informal service and my approach here is simply to align with that purpose.

The promotional offer in place on Ms A's account, from what I've seen, provided her with a period of time whereby any balance built on her card from purchases, attracted a 0% promotional rate. This meant that while within that initial promotional period, no interest would be charged on her balance for any purchases made.

Generally speaking, there are three ways for a balance to build up on a credit card (outside of account fees and interest); these are from balance transfers; purchases; or cash transactions.

Cash transactions usually attract a higher rate of interest and fees, and aren't usually included within any promotional offers, as was the case with Ms A's card. Ms A's statement shows that purchases attract a 0% rate, but it also shows a different rate for cash transactions at 2.2% monthly. This is also set out on the key facts document where it states the same monthly rate, and also an annual rate of 29.9% APR. The statement, as with the account terms, and the key facts document, also sets out that all cash transactions attract a fee, set at 3% of the amount of the transaction. So, I'm satisfied, based on the above, that any transactions deemed as cash transactions, will attract the above interest rate and fees.

Turning to the transactions made by Ms A, they were to a company I've referred to as 'M', who advertise as offering a way to simplify access to buy, sell and trade crypto currencies. And from what I've heard within the calls, I'm satisfied that Ms A was making payments to invest into crypto currency.

Santander's terms state that Cash transactions include:

- *“Taking out cash (including withdrawing cash from a cash machine)*
- *buying travellers' cheques*
- *buying foreign currency*
- *purchasing money orders*
- *gambling (including internet gambling and buying lottery tickets)*
- *and other similar payments (sometimes we call this quasi – cash).”*

Given Ms A was using the money to purchase a form of currency, which came with risks of the value of that currency going up and down; and, considering the nature of the other transactions set out above by Santander, I'm satisfied that the payments in question would be deemed similar. And therefore, I think it's reasonable for Santander to considered them as quasi-cash.

So, given I'm satisfied the payments should be treated as Cash transactions, and given what I've set out above about how Cash transactions are charged, and how clearly these charges were set out, I'm satisfied that it was reasonable for the fees and charges Santander applied to these transactions, to be billed to Ms A's account in the circumstances.

Ms A has also argued that under CONC 4.2.5R within the FCA handbook, that Santander were required to provide an adequate explanation of material costs and consequences before the transactions were made.

But CONC 4.2.5R deals with a firm's requirements prior to entering into a regulated credit agreement. It doesn't look at any ongoing requirements for businesses once an agreement is in place. And I'm satisfied that there was no requirement for the business at every interaction, when a payment was being made, to inform a customer of the potential interest cost and fees associated with those transactions, given these were set out clearly within the account's terms. So, I'm not persuaded by the argument made here.

In any event, Santander has offered – by way of goodwill gesture – to refund around £141 in fees and interest to Ms A. In my view, that's certainly a fair offer; Santander is under no obligation to do that, given it legitimately charged Ms A for the transactions she made. Should Ms A still wish to accept the offer made by Santander, then she should liaise with them directly regarding this.

Finally, Ms A has argued that she had previously raised this complaint with Santander back in August 2025, but that Santander failed to issue an appropriate final response letter. She said that this has obstructed her ability to escalate matters fairly.

While I understand the point Ms A has raised here, from what I've seen, Santander did send Ms A a resolution letter in response to her complaint dated August 2025, which addressed what they understood as her concerns, and which included referral rights to our service should she remain unhappy. So, while I accept that potentially Ms A did not receive this, the evidence provided suggests that this was issued.

Furthermore, if Ms A didn't receive Santander's final response letter within eight weeks of the date of her complaint, she was able to then refer matters to our service regardless. So, I don't agree that failure to receive this letter (if it was of course not received), obstructed her ability to escalate matters in any way.

So, while I appreciate this may come as a disappointment to Ms A, and I know it's not the answer she would have been hoping for, for the above reasons, I won't be asking Santander to do anything further.

My final decision

My final decision is that I do not uphold Ms A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 15 May 2026.

Brad McIlquham
Ombudsman