

complaint

Miss G complains that Santander UK plc won't refund a payment made using her debit card which she says she didn't authorise. She also complains that Santander gave her wrong information when she asked it to block payments.

background

Miss G gave her son her debit card – because he'd lost his – so that he could hire a car. She said she authorised him to make one payment for this specific purpose.

During July and August 2018, several payments to a car hire business debited and credited her account. She became worried about the number of transactions and asked the bank to block all future payments to that business. The bank arranged the block on 19 August and told Miss G no further payments would debit her account until she asked for the block to be removed.

On 4 September 2018, £1069.44 was debited from her account in respect of a card payment to the car hire business. This caused her account to go overdrawn.

When Miss G complained, Santander told her this payment had been authorised *before* the block was placed on the account, so it couldn't be stopped. It apologised that this hadn't been explained when the block was placed on the account and offered to pay her £50.

Our investigator didn't recommend that the complaint should be upheld. He concluded that Miss G's son had her debit card with her consent. And that because credit was used for this payment (her overdraft), Santander wasn't required to refund her any part of the transaction, in accordance with section 84 of the Consumer Credit Act 1974.

Miss G didn't agree, so the complaint has been passed to me.

my findings

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

Miss G allowed her son to use her debit card. She says she gave him permission to make one payment for car hire. And it looks to me like this is what happened – although it's difficult to say exactly what went on because Miss G hasn't been able to provide a copy of the car hire agreement, which is in her son's name.

Although five different amounts were debited from Miss G's account, these were all reversed. And three further payments were blocked. So the payment on 4 September 2018 of £1,069.44 is the only one that debited her account. And there's no evidence to persuade me that this isn't the one that she authorised when she gave her card to her son to make the car hire booking.

I can't find any reason for Santander to refund this payment. And whilst I sympathise with the situation in which Miss G finds herself, she has an overdrawn balance to repay – and she acted against the account terms and conditions by giving her card to someone else to use.

The terms and conditions explain that: “*we will not refund you in any circumstances if....someone else used your card with your agreement*”. And I find that this is fair in the circumstances here.

Santander did offer to investigate this further. It asked Miss G to provide it with information, including a copy of the hire car agreement, so that it could consider whether it could attempt a chargeback. But Miss G didn’t provide the requested information. So Santander didn’t have enough information and evidence to request a chargeback.

Turning to the incorrect information - Santander told Miss G no more payments to the car hire business would debit her account after the block was applied on 19 August. So I can understand why she was so upset when the 4 September payment was debited. But this was because it had been authorised *before* 19 August. It’s not unusual, particularly where a payment is authorised under the terms of a car hire agreement, for there to be a delay between using the debit card and the time when that payment is taken from the account. This is so that any additional charges, such as petrol and costs for damage to the car, can be included in the amount due for payment.

While I do I think it would have been helpful for Santander to have explained this to Miss G when she asked it to block future payments, it makes no difference to my conclusion that Santander doesn’t need to refund the payment because it was authorised.

I think its offer of £50 compensation was fair and reasonable.

my final decision

For the reasons I’ve explained, my final decision is that Santander UK plc should pay Miss G £50 compensation, as previously offered.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss G to accept or reject my decision before 16 November 2019.

Elizabeth Dawes
ombudsman