

## **complaint**

Mr Z complains that Santander UK Plc debited his account without notice following an unsuccessful attempt to recover a disputed debit card payment.

## **background**

In 2011 Mr Z made a card purchase online. He then discovered that the business had taken more than he believed he had agreed to pay. He contacted the bank and asked it to recover his money. It credited his account with the disputed amount and made further enquiries under its chargeback procedures. The business disputed Mr Z's claims and provided an email from Mr Z confirming the purchase at the agreed price. The bank concluded that a chargeback was not appropriate.

The bank then debited the disputed amount which caused Mr Z to be overdrawn and to incur charges. Mr Z complained to the bank and it agreed to waive these charges. He remained unsatisfied and so brought his complaint to this service.

The adjudicator recommended that this complaint be upheld in part. She agreed with the bank that there were no grounds for the chargeback. However, she considered it had not warned Mr Z that the money having been returned to his account could be taken again. This had meant he had assumed that he had been successful and so he had not pursued other avenues to get his money back. Santander had agreed to pay compensation of £35, but the adjudicator suggested this be increased to £135. Santander did not agree.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Santander responded to Mr Z's complaint that the business had taken the wrong amount from his account by re-crediting the sum. It did not make clear to him that this was not the end of the process and that it might be reversed. He had begun to take other steps to recover his money, but on discovering that his funds had been returned to him he put those on hold.

The business produced evidence to the bank that Mr Z had confirmed in an email the amount to be taken by it. The bank then, some four months after the initial transaction, re-debited Mr Z's account. Part of the delay to the process was caused by Mr Z not returning a disclaimer form required by Santander. Once it decided not to pursue the chargeback any further the bank wrote to Mr Z to notify him the day before it re-debited the account.

I am satisfied that the bank's decision, once it had evidence from the business, not to pursue the chargeback was fair and reasonable. On that basis, I cannot uphold Mr Z's request that the bank refund the disputed amount. However, I consider it failed Mr Z in two areas. It did not tell him initially that the credit to his account of the disputed amount was temporary and dependent on it concluding a successful chargeback. This meant Mr Z quite reasonably presumed the problem had been resolved. It should have given him a clearer and more comprehensive explanation of the chargeback process and have let him know that his complaint may not succeed.

Secondly, it did not give him sufficient notice that it was re-debiting his account which in turn did not allow him to ensure there were sufficient funds in his account. Sending a letter out the day before re-debiting the account is unreasonable. It should have given him more time to make suitable arrangements. I recognise that the bank has refunded the charges incurred by Mr Z as a result of the re-debit, however, I consider he is entitled to compensation for the trouble he was caused.

Santander has offered Mr Z £35 compensation and the adjudicator has suggested that this be increased to £135. I consider that to be a reasonable sum.

**my final decision**

My final decision is that I uphold this complaint and direct Santander UK Plc to pay Mr Z compensation of £135.

Ivor Graham  
**ombudsman**