

## **complaint**

Mr S is unhappy with Santander UK Plc because his chargeback didn't go ahead.

## **background**

In May 2018, Mr S booked a hotel through a third-party – he used his Santander debit card to secure the booking. But when he arrived at the hotel, he says the room he expected was already booked – and the replacement room didn't meet the description he'd seen when he booked it.

Mr S declined to stay there. He'd already paid a deposit, but says the hotel staff told him the balance wouldn't be taken. Mr S then complained to the third-party he'd booked through – and a day later says the balance had been taken from his debit card account after all.

Mr S says the third-party advised him to contact his bank directly, but they did offer Mr S half of his original deposit.

Santander started the chargeback process on Mr S's behalf – a procedure where the bank and the merchant (in this case the hotel) resolve disputes between themselves. As part of this process, Santander asked Mr S to complete a disclaimer and answer certain questions. Once he had done this, Santander asked him for more information and Mr S replied again.

In August 2018, Santander let Mr S know that the chargeback couldn't go ahead because he hadn't given them all the information they'd asked for. And when he complained in September, they also said he was now out of time, as Santander needed that information within 120 days of his cancelled booking.

Unhappy with this answer, Mr S brought his complaint to our service.

Our investigator said he didn't think Santander had done everything they should have – they hadn't made Mr S aware that he only had 120 days to provide all the information. He also thought Mr S had answered all the questions Santander had asked him. But he also pointed out that – as the chargeback hadn't gone through – he couldn't know if it would've been successful or not. So, as a resolution to Mr S's complaint, he asked Santander to compensate Mr S £100 for the distress and inconvenience caused to him.

Santander agreed with this – but Mr S didn't. So the complaint has been passed to me to make a final decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done that I'm also upholding Mr S's complaint – but I've increased the amount of compensation to £200.

I've already let Santander and Mr S know this – and below is my full reasoning.

Under certain circumstances, consumers can ask their card issuer to reverse payments made on their card – by raising a chargeback. Individual card schemes have their own rules that the card issuer have to apply. And the rules that apply to the type of card Mr S has say that the chargeback must be brought within 120 days of the date the goods or services were due to be received – in this case, his cancellation of the hotel room booking.

By my calculations, Mr S needed to provide all the information Santander had asked for by no later than 26 August 2018. So I've looked into whether Mr S did this.

I can see that Mr S raised a chargeback with Santander in June 2018 and was asked to complete a disclaimer. Mr S returned this to Santander in July 2018 – he'd not completed all of it. But he'd signed it and included: evidence of his booking confirmation, a description of why he was unhappy with the hotel, what he'd done to sort things out with the merchant and confirmed the third party's response.

Shortly after this, Santander wrote to Mr S and said: 'We just need a bit more information so we can look into your claim.' And they asked for the following:

- a description of what was wrong with the hotel
- the cancellation date
- details of how Mr S had tried to resolve the dispute with the hotel
- and any additional information Mr S thought was important

Mr S replied at the end of July 2018, saying:

- the hotel wasn't as described
- confirmed the room was cancelled on 28 May 2018
- the hotel listing was misleading and he'd been advised to contact Santander
- and the additional information was with his original disclaimer, pointing out the value of his deposit hadn't been included in the claim amount

He also included evidence of his booking confirmation and his original response to Santander.

At the beginning of August 2018, Santander wrote to Mr S. They said they'd reviewed his information, but as he hadn't given them everything they'd asked for, they couldn't process his claim further.

But looking at the questions Santander asked and the answers Mr S gave, I think he has answered these reasonably.

Santander have also let us know that Mr S's testimony alone wasn't enough – and he needed to show evidence. But I can't see they made Mr S aware of this.

Mr S also complained to Santander about his declined claim on 24 September 2018 – two days before the 120 days were up. They replied to Mr S on 28 September – two days *after* the 120 days were up. But it's only in their response – by which time it was too late for the chargeback to be actioned – that Santander made Mr S aware of this time limit. And I haven't seen anything that shows they informed him of this sooner.

In summary, I think Mr S did provide the information that Santander asked him for. And if Santander needed different information or evidence, I can't see how they made this clear enough when they repeated their request again. I also can't see that they made Mr S aware of the time limits *before* it was too late.

As this led to Mr S's chargeback not being submitted to the merchant, I think Santander needs to do something to put things right.

### **putting things right**

The rules, including timescales, are set by the card scheme – in this case, Visa, not Santander. As that's the case, it is now too late to apply a chargeback. Also, I can't know whether Mr S's chargeback would've been successful or not – so I don't think it would be fair to simply ask Santander to pay Mr S the money he *might've* got back. Mr S does also have the option of going back directly to the merchant – although I appreciate the merchant has already directed him back to the third party he booked the hotel room through.

But I think Santander should've done a lot more to help Mr S understand the information they were after – and once he'd provided it twice, they could've been explicit about what it was they still needed. But they weren't. They could've also explained how long he had in which to make the chargeback. And their failure to do this has caused Mr S some distress and inconvenience. So, I'm asking Santander to pay Mr S £200 to put things right.

### **my final decision**

I've decided to uphold Mr S complaint against Santander UK Plc and they should put things right by following what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 June 2019.

Guy Johnson  
**ombudsman**