

complaint

Mrs A complains that Santander UK plc allowed a transaction from her current account when she did not have enough money in the account to cover it.

background

When Mrs A was not in a position to book some flights for a break away, her friend offered to do this for her.

She gave her friend her debit card for her current account so that the friend would be able to pay for the flight booking online. The friend booked the flights and the payment for them was authorised. The amount of the payment was taken from Mrs A's account and reserved for the travel company but it did not claim it straight away. Mrs A's friend gave her debit card to another friend to give back to her.

However, Mrs A's friend had booked flights to the wrong destination by mistake. Mrs A contacted the travel company to explain the situation and asked for a refund. She was told that the payment would be refunded but it would deduct a transaction fee – which Mrs A agreed to. Her other friend then made another flight booking online with a different travel company. The payment for the transaction was refused when it was first attempted, as there was not enough money in Mrs A's account.

But, as the first travel company had not claimed its payment, the reserved money was returned to Mrs A's account balance. When the transaction for the second holiday booking was made again, the payment went through and was taken from Mrs A's account.

The first travel company then requested its payment. As the transaction had already been authorised, this payment was also taken from Mrs A's account. This took Mrs A's account into an unauthorised overdraft and she incurred fees and charges for this.

The first travel company then said that Mrs A's flight booking was non-refundable, but it agreed to refund the tax that she had paid on the flights.

Mrs A complained that Santander should not have allowed both the payments to be taken, when she did not have enough money. She said the payment to the first travel company should have been refused.

Santander said that Mrs A was responsible for the two transactions and allowing her friends to use her debit card had breached the terms and conditions of her account. Mrs A stopped using her account and Santander passed it to its collections department to recover the outstanding debit balance on it.

Our adjudicator did not recommend that the complaint should be upheld. She said Santander could not have declined the transaction to the first travel company as it had been authorised when the original flights were booked. Although the travel company took time to process the transaction, this was not within Santander's control. She was unable to find that Santander had made an error and said that the dispute about what Mrs A was told about the refund of the original booking was between her and the travel company.

Mrs A did not accept the adjudicator's findings and asked for her complaint to be passed to an ombudsman.

my findings

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

I fully understand Mrs A's situation at the time of these transactions and that her friends were merely looking to help her make her travel arrangements. But the terms and conditions of her current account say that she remains responsible for the transactions made using the debit card if she agreed that someone else could use it. They also recommend not allowing anyone else to use the account card to ensure the security of the account.

The first travel company did not claim its payment for the flight booking until six days after the transaction was authorised. Santander has explained that, when authorised, the money for a payment is reserved to meet that for three days. If it is not claimed after that time, it returns to the account balance.

But this does not mean that the authorisation for the payment to be taken is removed. In making that first flight booking on her behalf, Mrs A's friend was authorising this payment and Mrs A is responsible for this. Mrs A had enough money in her account when this booking was made and so, Santander accepted the transaction.

This was the same position as when the payment to the second travel company was accepted, as the balance on Mrs A's current account was enough to meet that payment.

Some other transactions were attempted with Mrs A's debit card through this time but were declined when the balance in her account was not enough to meet them, but I am unable to conclude that Santander was wrong to allow the transaction to the first travel company when it had effectively been authorised by Mrs A.

Mrs A's booking was with that travel company. I appreciate that it may have said over the telephone that the mistake with the booking would mean that it would be refunded before Mrs A's other friend booked another set of flights, but I do not consider Santander to be responsible for this.

I can only suggest that Mrs A contacts the first travel company about the position with the tax refund and that she speaks with Santander about arranging a mutually acceptable repayment plan for the remaining balance.

My final decision

My decision is that I do not uphold this complaint.

Cathy Bovan
ombudsman