

complaint

Mr M has complained that after his available balance was correctly debited, several days later the available balance was then reversed. This allowed him to effectively spend money that had already been spent. He thinks this should've been fully ring fenced by Santander UK Plc or the merchant from whom he made the purchase.

background

Santander understood Mr M's complaint to be that he was unhappy that his account had gone into a debit balance despite him making a transaction after his account showed that he had funds available to spend. And he wasn't happy that a transaction could be approved on insufficient funds.

In its response to Mr M's complaint, Santander explained that funds may not be debited from his account straightaway. If a merchant didn't claim the transaction amount in time, the available to spend figure on his account may show a higher amount than what he actually had. It went on to say that it wasn't in Santander's control as to when merchants debit a transaction amount. It said it was the responsibility of a customer to make allowance for transactions they were expecting to be applied to an account. It understood that this made it difficult to manage his account and offered Mr M £50 for the inconvenience he had been caused.

Mr M wasn't satisfied with Santander's response. His complaint was looked into by one of our investigators. In summary she didn't think Santander had done anything wrong, as when a merchant requested money was outside Santander's control. And as a result they couldn't be held responsible for the accuracy of Mr M's current account balance. And from the statements she had seen, she couldn't see that Mr M had been charged incorrectly, or that charges had been wrongly applied to his account.

Mr M didn't agree. He didn't think the investigator had understood his complaint properly. He said that his complaint was about:

"a discrepancy between the current and available balances'.. My complaint was that after my available balance was correctly debited by x amount, several days later the available balance was then reversed allowing me to effectively spend money that had been spent and also should have been fully ring fenced by my bank, or the retailer.. Santander blamed the retailer for this, saying that the authorisation had fallen'..off. This is completely out of my control, and is between the retailer and the bank to control..."

Our investigator wrote to Mr M again in response to this. In summary she said:

- From the information provided, she could only see one occasion when a payment of £10.00 was reversed on the same day. A reversal usually occurred when there weren't sufficient funds in an account. And she couldn't see that this amount was later withdrawn from Mr M's account.
- The investigator went on to explain that when making a payment, a merchant could reserve funds, but a payment request may not be processed immediately. This could explain why the payment was then released back to his account. A delay on the merchant's part could be the reason why this may have happened. She couldn't

locate any instances where this has occurred. She asked Mr M if he could provide specific information to evidence any such occurrences. And that without this she didn't think the outcome would change.

- The available balance could also have been affected by contactless payments taking more than 24 hours to appear on an account, which may have presented Mr M's account to have more funds than actually available.

Mr M in response said that he still didn't think the investigator had understood his complaint. She went back to Mr M and asked him if he could send information to help her better understand his complaint. In response Mr M said:

"This part of your reply more or less sums up what my complaint is. The evidence of this is where on my bank statements the balance has went well over the overdraft/limit. It has happened on many different occasions over the last few years.

...When making a payment, the merchant can reserve funds, however it may not be processed immediately, which may explain why it may have then been released back to your account. A delay on the merchant's part could be the reason why this may have happened. However, I can't seem to locate any instances where this has occurred. I'd appreciate if you could provide me with specific information to evidence any such occurrences. Without this, I don't think the outcome will change."

The investigator said that she had considered what Mr M had said but she didn't think without new evidence or information, this made a difference to the outcome for the reasons she had explained. No further information was received from Mr M, so the case has been passed to me for 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. Having done so, I'm not going to uphold Mr M's complaint. I'll explain why. Before doing so and for the avoidance of doubt, my decision is only in relation to the actions of Santander.

I do understand that Mr M has found it frustrating that his bank account hasn't always shown the up to date balance. But I can't hold Santander responsible for delays in requesting payment by merchants from whom Mr M makes purchases; as Santander isn't the cause of the delay. I say this because when Mr M makes a purchase with his debit card, the merchant who he has made the purchase from; will ask Santander to confirm that the funds are available to pay for the transaction. And after the payment has been authorised, Santander would be obliged to honour this payment. From then on Santander will retain the funds, until it receives the request for payment from the merchant. Until the request is received the available balance and the current balance of Mr M's account will be different, signifying that that there is a payment pending to debit.

Santander can't promise when the funds will be debited from Mr M's account and appear on his statement. This is because it isn't able to control how quickly this all happens, as it's reliant on the merchant requesting payment.

If a request for payment isn't made within the available time, time a transaction will only be paid if there are sufficient cleared funds available. And from the statements I have I can only

see that one reversal has taken place. A reversal normally takes place when there aren't sufficient funds in an account. And I can't see that Mr M has been disadvantaged by the reversal that took place.

Santander doesn't provide a management service for this account. And it is Mr M's responsibility to manage his account. I do understand that Mr M finds it causes him difficulties in managing his account, when payments take longer than usual to debit it. However as I've explained above, this isn't caused by any error on the part of Santander. So I don't think it's done anything wrong here. Santander has paid Mr M £50 for the inconvenience he's suffered. And for the reasons I've given, I don't think it needs to do anything else.

my final decision

My final decision is not to uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 October 2017.

Simon Dibble
ombudsman