

complaint

Mr J complains that Santander UK Plc debited his account with a payment that he disputed which created an unauthorised overdraft.

background

Mr J says he told Santander that the payment he had made for a car was disputed as the car was not roadworthy and the merchant refused to take the car back. Santander raised a 'chargeback' to Mr J's account. Santander told Mr J he could keep the car and the refunded amount and that the dispute was finished.

Mr J sold the car as he believed the dispute was at an end. He sold it for less than the purchase price. The merchant raised a dispute as the car had been sold and it was unable to retrieve it. Santander wrote to Mr J and told him that the 'chargeback' would be re-debited as he was unable to keep both the refund and the car.

Mr J removed the funds from his account and when the money was re-debited this resulted in an unauthorised overdraft.

Santander accepted that it gave incorrect information to Mr J that he was entitled to treat the dispute as at an end. It has agreed to refund £550, being the difference between the purchase price and the amount Mr J received for the sale of the vehicle. In addition they have offered £100 for any distress and inconvenience caused. Santander agreed to suspend charges on the unauthorised overdraft but it does not think it should remove the adverse information about the unauthorised overdraft from Mr J's credit report.

Our adjudicator was of the opinion that this was a fair and reasonable offer and that Santander did not have to do anything more.

Mr J disagrees he wants his credit file amended to remove the reference to the unauthorised overdraft.

my findings

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

Santander accepts it gave misleading information to Mr J that he was able to keep the car and the refund and it has agreed to compensate him. I agree with the adjudicator that the bank's offer to refund £550 together with £100 for distress and inconvenience is a fair and reasonable offer.

Santander wrote to Mr J to tell him that they were re-debiting the amount of the chargeback. By removing the amount from his account he should have known that this action would then place him into an unauthorised overdraft. I find that Santander acted fairly and reasonably and the information has been recorded correctly. I do not require Santander to do anything further.

my final decision

My final decision is that Santander UK Plc, as it has agreed to, should refund Mr J £550 and pay £100 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 June 2016.

Geraldine O'Donnell
ombudsman