

complaint

Miss G complains that Santander UK Plc allowed a retailer to take money from her account. It went overdrawn and she incurred charges as a result.

background

In November 2014 Miss G bought a large item from a retailer using her Santander debit card. She had to return it, as it was faulty. The retailer refunded the money to Miss G's account and Miss G ordered the item for a second time. But further problems meant that she had to return it again. The retailer refunded the money reasonably quickly in December 2014. But it refunded the cost of the item itself and the postage separately. So the amount Miss G had paid didn't appear as a single refund on her statements and she thought the retailer still owed her money.

In April 2015 the retailer refunded the money to Miss G for a third time. Miss G says she thought it was her benefit money, which was due around the same time. Over the next few days Miss G made several large cash withdrawals from the account. A couple of weeks later, the retailer contacted Miss G to tell her it had refunded the money by mistake. And roughly a fortnight after the phone call, it reclaimed the money. Miss G's account went into overdraft as a result. Miss G considers that Santander should have contacted her before sending the money back to the retailer.

The retailer has since refunded the payment to Miss G's account for a fourth time. But she'd like Santander to refund the overdraft charges she incurred and compensate her.

Our adjudicator didn't recommend that the complaint should be upheld. She said, in summary, that she wouldn't have expected Santander to contact Miss G before allowing the payment to go through. Santander had agreed a payment plan allowing Miss G to repay the overdraft over a period of a few months, so the adjudicator was satisfied that it had tried to help Miss G. The charges had been applied in line with the terms and conditions of the account, so she couldn't require Santander to refund them.

Miss G's unhappy with the adjudicator's view. She says she didn't agree to the overdraft. So she'd like an ombudsman to review her complaint.

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've reached the same conclusion as the adjudicator.

The retailer explained to Miss G when it spoke to her in mid-April that it had made the April 2015 refund by mistake. In a letter she sent to the retailer after it reclaimed the money, Miss G said that it had been the retailer's mistake, so she didn't think she should have had to repay the money. But I think it likely that Miss G realised that the retailer planned to reclaim the payment and there's no record of her having contacted Santander to say that she objected to this. In the event, it was clear to Santander that the refund had accidentally been made twice. Miss G had ended up substantially better off than she'd been before she bought the item in the first place. Taking everything into account, I don't find that Santander was at fault in returning the payment to the retailer without contacting Miss G first. Nor do I consider that it should have sought Miss G's specific consent for the overdraft that resulted.

Miss G withdrew a large sum from a cash machine on the day the April 2014 refund was made into her account. The following day a substantial benefit payment was credited to the account, and she made further significant cash withdrawals that day and the following day. I think she could reasonably have been expected to notice that there was more money in her account than there would normally have been, and that she'd received two large payments on consecutive days, of which only one was benefit money. And if she'd monitored her account, she'd have realised that the retailer had already received a refund for the payment she'd made in December 2014.

The account went into overdraft and charges were incurred after the payment was returned to the retailer. But no charges would have been incurred if Miss G hadn't spent the money that was accidentally credited to her account. And I don't find that Santander can be held responsible for the fact that she did so. Miss G had the benefit of the money she spent. The charges were applied in line with the terms and conditions of the account. So I don't consider that I can fairly require Santander to refund them.

Finally, Santander temporarily downgraded Miss G's card from a debit card to a cash card. But it reissued her with a debit card once she'd brought the account back up to date. I consider this to have been reasonable.

Santander agreed to allow Miss G to repay the overdraft in four monthly instalments. I don't consider that I can fairly require it to do more.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 17 December 2015.

Juliet Collins
ombudsman