

## **The complaint**

Mr A complains that Santander UK Plc (“Santander”) won’t refund him the balance of the cost for a flight he cancelled.

## **What happened**

Mr A booked overseas flights with an airline via a third-party booking agent, for which he paid £433.80 using his Santander debit card. The outbound flight was on 28 May 2023 with the return flight on 2 June 2023.

Mr A cancelled the flights on 10 May 2023 and received confirmation of this from the booking agent. He subsequently received a partial refund.

Mr A contacted Santander and asked them for help in recovering the rest of the cost. They asked Mr A to provide evidence to support his claim so they could consider raising a chargeback. Santander didn’t though raise this as they felt Mr A hadn’t sent them the requisite information and evidence as required by the rules of the card scheme.

Mr A complained to Santander, but they didn’t uphold his complaint. So, he referred the matter to our service. Our investigator didn’t recommend that the complaint should be upheld. He felt that Santander had acted reasonably in asking Mr A for the evidence required to support his claim, and as they hadn’t received this, the chargeback had no prospect of success. Our investigator also felt that the merchant likely would have defended the chargeback had it been raised by relying on their terms and conditions around cancellation.

Mr A didn’t agree and asked for an ombudsman’s decision.

## **What I’ve decided – and why**

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

I want to acknowledge that I’ve summarised the events of the complaint. I don’t intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mr A and Santander that I’ve reviewed everything on file. And if I don’t comment on something, it’s not because I haven’t considered it. It’s because I’ve concentrated on what I think are the key issues. Our powers allow me to do this.

The right to a refund when flights haven’t happened because of cancellation isn’t automatic. It depends on the individual circumstances of each case. Here, I’m looking at the actions of Santander and whether they acted fairly and reasonably in the way they handled Mr A’s request for help in getting the money back for the flights. This will take into account the circumstances of the failed trip and how the supplier has acted, but there are also other considerations, such as the scheme rules a bank has to follow and their own obligations.

Mr A paid for the flights using his Santander debit card. Realistically this meant the only way he could have got his money back through Santander in this case was through the chargeback process.

In certain circumstances the chargeback process provides a way for a bank to ask for a payment Mr A made to be refunded. Where applicable, the bank raises a dispute with the supplier and effectively asks for the payment to be returned to the customer. While it is good practice for a bank to attempt a chargeback where the right exists and there is some prospect of success, the circumstances of a dispute means it won't always be appropriate for the bank to raise a chargeback. There are grounds or dispute conditions set by the relevant card scheme and if these are not met a chargeback is unlikely to succeed.

When a chargeback is raised, the scheme allows a given period of time - usually around a month - for the supplier to reply to say whether or not they agree to the refund. And when a supplier does defend a chargeback, this can lead to further representations by the cardholder's bank, if it considers the supplier has raised a weak or invalid defence. The process then allows for further representations to be made if the parties still don't agree, and for the card scheme to decide who gets to keep the money.

This means for me to conclude Santander did something wrong in Mr A's case, and should do something to put things right, I'd need to find that they didn't raise a chargeback in circumstances when they should have. This could be, for example, because Mr A's dispute looked to have fit within the card scheme rules. Also, I'd need to find that Mr A lost out as a result, for example, because it's likely the chargeback would have been successful, and he would have recovered his money.

Initially, when Mr A asked Santander to help him with his dispute, he said he'd been promised a refund for the flights but didn't receive this. So, Mr A had positioned his dispute as being one which would have fit the chargeback reason code 'credit not processed'.

The scheme rules for 'credit not processed' set out that Mr A needed to send in a description of his complaint to 'enable all parties to understand the dispute', or documentation from the merchant to support that a credit was due (here, a refund). From what I've seen though, he only sent Santander a copy of the terms and conditions for a package which covered his flight costs for up to 90% of its value, and the confirmation of the cancellation of the flights. I've not seen evidence that the merchant had sent documentation to support a credit refund. And Mr A hadn't in my view sent in enough evidence at that point to show that he was potentially entitled to a refund.

It's possible that Santander could have attempted a chargeback with the information they had. But I don't think it would have had a reasonable chance of success. I say this because the evidence Mr A had sent about the package covering his flight costs wouldn't likely have led to a refund as it had been cancelled by him prior to his decision to cancel the flights.

I've also considered whether the other relevant chargeback ground where services are cancelled might have been a route to a refund that Santander could have explored. This allows for a dispute to be raised where a refund has not been paid in line with the cancellation policy. The relevant transaction here was with the booking agent as that is who Mr A paid. I note that Mr A says that the agent told him to make a direct request to the airlines about this, who then told him to refer this back to the agent. I've not though seen anything that shows me that the agent was contractually obliged to provide him with a refund.

So, looking at what happened in Mr A's case, it seems unlikely a chargeback could have been successfully raised on his behalf. So, overall, I don't think Santander acted unfairly or unreasonably when they didn't raise one.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 April 2024.

Daniel Picken  
**Ombudsman**