

The complaint

Mr M has complained that Santander UK Plc (“Santander”) has failed to trace a number of refund payments made by third-party merchants that he believes should have been paid into his Santander account.

What happened

Mr M contacted Santander via webchat to ask that it trace a large number of payments that third-party merchants had said they’d refunded back to him. Following this, Mr M contacted Santander by phone on 28 March 2024 and provided Authorisation Reference Numbers (“ARNs”) in an attempt to trace the payments, but Santander said it needed further information than that to trace the refunds.

Unhappy with this, Mr M complained to Santander. Santander issued its final response to the complaint on 2 April 2024 and did not uphold the complaint. Santander explained that, to look into the transactions further, it needed to know the date of the original payments, the card or account they were originally paid from, the value of the transaction and the date of the refund. Santander provided the number for Mr M to call once he had that information.

Unhappy with how Santander was handling matters, Mr M referred his complaint to the Financial Ombudsman Service.

After Mr M did that, Santander told this service that it had been unable to locate the refunds Mr M had referred to, and it had not been provided with evidence that the merchants had actually made the refunds back to Mr M either. Santander explained that Mr M would need to take matters up with the third-party merchants who processed the refunds.

One of our investigator’s assessed the complaint and they didn’t uphold the complaint.

As Mr M didn’t accept the investigator’s assessment, the matter was referred 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.

Having reviewed everything, I don’t uphold this complaint. I will explain why.

When Mr M asked Santander to look into the missing refunds, he only provided a list of ARN’s. However, Santander said it needed more information than just these codes. Mr M was clearly unhappy that Santander asked for additional information and seemed to take the view that Santander should be able to locate the missing payments with just the ARNs.

Santander asked Mr M to provide additional information, such as: the date of the original payments, the debit card numbers, the transaction amounts and the date of the refunds. In my view, the information being requested was reasonable and is typical of the information that a bank would ask for in order to locate a missing payment on behalf of a customer.

Indeed, given that the refunds clearly did not reach Mr M's account when he was adamant that they should've, I think that it was entirely understandable why Santander asked for extra information - so it could locate the missing payments using different search criteria, and to rule out the possibility it had made an error - to get to the bottom of why Mr M had not received the refunds.

After Mr M referred his complaint to this service, I can see that he then emailed Santander on 3 April 2024, with a list of the original transactions that he says were meant to have been refunded back to him, but never reached his account. This information included the card they were apparently refunded to, the amount of the transactions and when they originally took place. Following this, I can see that Santander did then carry out a search to locate the whereabouts of the refunds that the merchants say they carried out. Santander confirmed that no refunds had been made back to Mr M's account.

Following ongoing investigation into this matter, Santander has now provided evidence to show that the Acquirer Reference Numbers that Mr M provided, were actually for payments involving other Santander customers. I note that Mr M had wondered whether, because the cards he'd originally used to make the payments were no longer active, this may've caused the refunds to be paid elsewhere in error. But Santander has confirmed that it doesn't recycle debit card numbers. And none of the debit card numbers used under the ARNs that Mr M provided, match any of his previous debit card numbers that are listed on his Santander customer profile. So, it's not the case that another customer has been assigned a debit card that matches one of Mr M's previous debit card numbers and they have received a refund accidentally.

Overall, the evidence I have seen suggests that the merchants had given Mr M a list of ARNs that appear to be linked to genuine payments, but ones made to or by other Santander customers. And I've not seen evidence (other than emails to Mr M from a merchant, saying it'd made refunds) to show that the merchants had actually processed refunds to Mr M's account. Because of this, whilst I recognise that Mr M is now out of pocket, I can't reasonably hold Santander responsible if the merchants didn't carry out a refund that they had said they'd done.

I can see that this places Mr M in a very difficult position, especially given the timescales involved. But I can only consider Santander's actions in this complaint and overall, I can't reasonably say that it can be held responsible for the refunds not reaching his account. I'm satisfied that, once it had the information it needed from Mr M to check for any refunds, it did do this and that there is no evidence that the merchants had actually processed any refunds back into his account.

Because of this, I can't say that Santander has acted unfairly, unreasonably or incorrectly in this matter. Therefore, if Mr M wishes to pursue the refunds further, he will need to take matters up with the individual merchants in question.

My final decision

Because of the reasons given above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 January 2025.

Thomas White
Ombudsman