

## **The complaint**

Mr S and Mrs S complain that Santander UK Plc has not met its obligations in regard to a transaction made on their debit card to purchase funeral plans.

## **What happened**

In May 2021 Mr S and Mrs S arranged funeral plans with a funeral plan company (which I will call "Firm F"). They paid £6800 for them and used their Santander debit card in funding this agreement. In November 2022 they were informed Firm F had gone into administration and in December 2022 they raised the matter with Santander. Santander then said it was out of time to raise a chargeback. So Mr S and Mrs S complained to Santander.

Santander looked into the matter and decided it hadn't done anything wrong with regard to its approach to chargeback. However it did acknowledge that its customer service hadn't been what it should. So it paid a total of £150 in recognition of what it could have done better. Mr S and Mrs S sought a full refund for the cost of the funeral plans, so they brought their complaint here.

Our Investigator considered the matter and felt that Santander hadn't treated Mr S and Mrs S unfairly. But Mr S and Mrs S didn't agree so this decision comes to me to decide.

## **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'm sorry to hear about the health issues suffered here by Mrs S. And I've considered this throughout my consideration of this case.

### *the transaction*

Mr S and Mrs S and their representative don't contest that they made this transaction for the funeral plans originally, or that they were applied incorrectly to the account. Accordingly I'm satisfied Santander didn't do anything wrong in processing the transaction or applying it to their account.

### *could Santander challenge the transaction through a chargeback?*

In certain circumstances, when a cardholder has a dispute about a transaction, as Mr S and Mrs S do here, Santander can attempt to go through the chargeback process. Chargeback isn't a right, but this service does consider it good practice to raise a chargeback, if within the time limits and that there is a reasonable prospect of success. I don't think Santander could've challenged the payments on the basis Mr S and Mrs S didn't properly authorise the transaction, given what I've already set out.

Within the card scheme rules there are time limits set out for when chargebacks can be raised by banks/card issuers. These are timed from dates such as the transaction date or

date of delivery of service where applicable. There is also a 'long stop' time limit of 540 days from the transaction date.

Here Mr S and Mrs S didn't raise the matter with Santander until after this long-stop time limit has passed. So Santander hasn't treated them unfairly by not raising a chargeback. This is because it didn't have a realistic or indeed any prospect of success, as it was outside the time limit to raise the chargeback once Mr S and Mrs S brought this dispute to its attention.

I appreciate Mr S and Mrs S have lost out. And I also appreciate they've not done anything wrong. However neither has Santander. And just because Mr S and Mrs S have lost out doesn't make it fair that Santander, which isn't responsible for Firm F failing, to cover this loss.

I note that there are arguments raised here along the lines that chargebacks in relation to Firm F have been successful with other institutions. This may well be the case, but it doesn't follow that Santander must have done something wrong. It is quite possible that those chargebacks were within the time limit or there were other reasons for refunds to be paid. But that doesn't demonstrate that Santander did something wrong here. Indeed I'm satisfied the matter wasn't raised with it until such a chargeback was out of time. So even if it had raised a chargeback instantly it would have still been unsuccessful to my mind.

I also appreciate that Mrs S has significant health concerns. But Santander doesn't operate the chargeback scheme operated here and isn't responsible for the rules of the scheme or indeed the final decision in any chargeback raised that is in time. And these rules include these time limits and unfortunately Mr S and Mrs S raised the issue with Santander too late to have a chargeback initiated.

Mr S and Mrs S say they've been customers for a long time. And I'm sure this is the case, but that doesn't mean Santander should cover the loss they've suffered when Santander hasn't done anything wrong which would make such a payment fair.

All in all, having considered all of Mr S and Mrs S' arguments I'm not persuaded they've lost out because of how Santander treated their dispute with Firm F. And having considered everything here I'm satisfied Santander hasn't treated Mr S and Mrs S unfairly. I think £150 is a fair reflection of how the customer service could have been better. So Mr S and Mrs S' complaint about Santander is successful.

I do appreciate that this isn't the decision Mr S and Mrs S wish to read. And I'm sorry they find themselves in this position and they clearly feel that Firm F has let them down by collapsing. But this isn't Santander's fault. And considering the obligations Santander has, I'm satisfied it hasn't treated them unfairly in not refunding them what they paid Firm F.

### **My final decision**

I do not uphold this complaint against Santander Bank Plc. It has nothing further to do in relation to this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 26 October 2023.

Rod Glyn-Thomas  
**Ombudsman**