

The complaint

Mr K has complained Santander UK plc won't refund money for a card transaction abroad that he didn't make.

What happened

Mr K was overseas on holiday in October 2022. He logged into his Santander account using the phone app and noticed a transaction he didn't recognise. He asked Santander to refund the money involved as he'd not authorised the transaction.

Santander confirmed the payment was authorised using Mr K's genuine card and PIN. As there was no evidence of any compromise of Mr K's card, they weren't going to refund him.

Mr K brought his complaint to the ombudsman service.

Our investigator reviewed the evidence, including what Mr K said he'd been doing at the time of the disputed transaction. However in light of Mr K's genuine card and PIN being used to make this payment, she felt it was most likely Mr K had authorised this.

Disappointed in this outcome, Mr K has asked an ombudsman to consider his complaint. He also provided timed photographs which he believed showed he couldn't have made the transaction.

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 done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr K's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. Other factors do apply but nothing else specific in Mr K's case.

So to help me decide what happened, I've looked at the evidence of the transactions, as well as what Santander and Mr K have told us. I can reassure Mr K I've also reviewed the photos and maps he's provided to our service.

Overall I believe the evidence shows Mr K authorised the disputed transaction. I say this

because:

- The evidence from Santander shows Mr K's genuine card and PIN were used to authenticate the disputed card transaction.
- Mr K says it was most likely he had his card with him when he was out on a boat trip but can't be certain. I've considered Mr K's photographic evidence which he believes meant he was unable to make the card payment himself. The photos are timed at 15:20 on 10 October. As his phone would reflect local time I'm satisfied this doesn't match the time of the card payment. I should state that even if Mr K's phone time remained set at GMT this doesn't reflect the card transaction timing. This was 21:20 on 10 October GMT.
- Mr K had used his card three times to withdraw cash from cash machines overseas. However the most recent use of his card had been more than 24 hours before this disputed transaction. I can see no way an unknown person could have retained knowledge of Mr K's PIN to use it at a much later time, nor is there any evidence how they could have located Mr K's card and then replaced it. At the time Mr K noticed the disputed transaction, his card was in his possession.

I am always wary that just because there's no obvious point of compromise, that would mean the cardholder must have made the payment. However, based on the evidence here, I believe it's most likely Mr K authorised the card payment. I won't be asking Santander to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Mr K's complaint against Santander UK plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 September 2023.

Sandra Quinn
Ombudsman