

## **The complaint**

Miss M complains that Santander UK Plc (“Santander”) failed to refund transactions she didn’t recognise and experienced poor service when reporting the issue.

## **What happened**

Miss M noticed a payment leaving her account to a merchant that she didn’t recognise and called Santander about it. It was then discovered that two unrecognised payments (both for £15.00 to two different merchants) had been leaving her account each month for some time.

The two merchants who were receiving the funds both offered a monthly membership to obtain various discount codes for use with other businesses.

Miss M had several conversations with various Santander employees – two of which Miss M was particularly distressed about. She says she was subject to rude, unprofessional and bullying treatment when trying to deal with the transactions she didn’t recognise.

Miss M also said that some of the employees dealt with her sympathetically and arranged for a goodwill payment of £30 to be paid to her for one of the calls where she experienced this poor service.

Santander initially advised that these payments (first noted in 2023) went back to 2021 and they later found they’d started back in 2019. Santander told Miss M they could refund some of them and her account was credited with eight payments.

Miss M was also given conflicting information by Santander on what period of time they could go back (either six months or 13 months). Miss M was asked about the use of her online banking where she advised she used it several times per month but hadn’t noticed these payments leaving her account.

Miss M confirmed she hadn’t given her card details to anyone or allowed others to use her account. She also confirmed she had sole use of her email account. Miss M told Santander she didn’t recognise the two merchants who were taking her money.

Santander looked into the matter and found that the payments were set up as recurring transactions meaning that both merchants had used Miss M’s card details to arrange (in this case) monthly charges against her card. Santander spoke to one of the merchants who confirmed Miss M had an account with them and they held her correct details including her name, address and email along with the card details necessary to set up the recurring payment.

Santander cancelled the recurring payments but didn’t make any further refunds additional to the eight already made. Miss M was unhappy with this as she maintained she had no knowledge of the merchants or had ever signed up to their services. She lodged a complaint with Santander about their decision and treatment she’d received.

Santander examined what had happened and wrote to Miss M with the results of their own

investigation. They told Miss M that there was no evidence of a compromise of her card details, and they weren't upholding her complaint.

Miss M remained unhappy with Santander's review of her situation and brought her complaint to the Financial Ombudsman Service for an independent review. Her complaint was looked into by an investigator who asked both parties for information about the issue.

Miss M explained what had happened and detailed her treatment by Santander. She commented that the merchant(s) had many complaints concerning the use of peoples payment cards and she hadn't any knowledge of dealing with them. Whilst Miss M used her online accounts regularly, she said she didn't notice them (the disputed transactions) due to the small amount of the payment.

Miss M confirmed the security of her card details and said she'd never received any emails from the merchants (but did get many junk messages in her email). Miss M was particularly upset about the treatment she received from a couple of call handlers and wanted her calls listening to.

Santander provided audit data about the payments, including evidence of the first use of her card by the merchant to register it as a recurring payment. They also supplied copies of calls they held with Miss M. Information was also provided of their own investigation.

After considering the evidence supplied by both parties the investigator didn't uphold the complaint. He commented that:

- Miss M has sole control of her card, phone and email account.
- The investigator spoke with the merchants who confirmed Miss M had an account with them.
- It was unlikely that anyone other than Miss M would use her credentials with the merchant as only she could benefit from them.
- Miss M was a regular user of her online banking but hadn't noticed any of these payments leaving her account between 2019 and 2023.
- Miss M's online banking showed she used it on the same date these payments were made to the merchants so would have seen them.

Miss M strongly disagreed with the investigator's outcome and said she didn't feel "heard" and felt her complaint hadn't been investigated fully. Miss M wanted a further review of her complaint which has now been passed to me for a decision.

As part of my own investigation, it became apparent that part of Miss M's complaint had been inadvertently missed by Santander and our service relating to one of the calls Miss M complained about. I asked for a further investigation into this and for Santander to specifically deal with the treatment experienced by Miss M.

They responded and agreed that she'd experienced poor service and offered £50 to recognise the impact this had on her. The investigator thought this was a fair way to deal with the issue. Miss M hasn't responded to this additional complaint point.

### **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.

My overall decision here is to uphold – in part – the complaint made by Miss M. In summary, I'll be upholding her complaint about the treatment she received, but not the substantive complaint concerning the disputed transactions, and I'll explain why.

The relevant law surrounding authorisations are the Payment Service Regulations 2017. The basic position is that Santander can hold Miss M liable for the disputed payments if the evidence suggests that it's more likely than not that she made them or authorised them.

Santander can only refuse to refund unauthorised payments if it can prove Miss M authorised the transaction(s), but Santander cannot say that the use of the card details for online payments conclusively proves that the payments were authorised.

Unless Santander can show that consent has been given, it has no authority to make the payment or to debit Miss M's account and any such transaction must be regarded as unauthorised. To start with, I've seen the bank's technical evidence for the disputed transactions. It shows that the transactions were authenticated using the payment tools issued to Miss M. I'll now need to consider the information provided by both parties to determine whether there's sufficient evidence to hold Miss M responsible for the disputed transaction(s) or not.

It's Miss M's case that she had no relationship with either merchant and the transactions weren't authorised by herself. Santander have relied on their audit evidence and a conversation with the merchant to state their belief that Miss M was responsible.

The type of services offered by both merchants are often linked to free trial periods but require the applicant to sign up with their payment card and cancel the membership if no longer required.

Both Santander and our service spoke with the merchants who confirmed they held details relating to Miss M, including her current email address and payment card details. Generally, I wouldn't expect them to have these details without some form of contact from the card holder (here Miss M), which she denies.

Both merchants started the collection of the payments by first registering the card with Santander back in 2019, the first payments were taken the following month. This is a fairly typical pattern of the end of a trial period and the beginning of paid membership. I understand Miss M's comments that she didn't sign up with these merchants – but the evidence shows that her card and personal details, including her email address were used to set up the membership.

The first payments were about four years ago, so it's understandable that memories may be less clear than they are today, and I think it would be easy to sign up for a "free" trial and then forget about it. I can also see why the payments weren't noticed because they're relatively small and the trial may have been forgotten about at the time. So, I can appreciate why Miss M feels as though she never authorised those payments, but here, the evidence supplied by Santander shows her card and personal details being held by the merchant and her card being used for the recurring payment.

I haven't further examined Santander's decision to refund eight payments to Miss M when she first reported the problem. This was Santander's own decision and I make no further comment.

The evidence that I've considered leads me to the conclusion that, on the balance of

probabilities, it was more likely than not that Miss M authorised her card details to be used to make the payments. So, taking everything into account, I think it is fair and reasonable for Santander to hold Miss M responsible for these transactions.

### *Customer Service*

I don't think there's any doubt that Miss M experienced a couple of conversations with Santander call handlers that left her upset and stressed due to the way she was dealt with. It's also clear to me that Miss M recognised that other call handlers dealt with her professionally and appropriately.

Santander recognised this at the time related to one call and made a £30 payment to Miss M. After being asked to review the second call that Miss M complained about, Santander offered a further £50 compensation.

Having examined the available evidence concerning this and the impact Miss M experienced, I think the overall payment of £80 is a fair and reasonable way for Santander to deal with this aspect of the complaint.

### **Putting things right**

I'm upholding the customer service aspect of Miss M's complaint and Santander should now arrange to pay the outstanding £50 already offered by them. For clarity, I'm not upholding the complaint concerning the disputed transactions.

### **My final decision**

My final decision is to uphold, in part, Miss M's complaint against Santander UK Plc. They're now required to settle the matter as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 15 December 2023.

David Perry  
**Ombudsman**