

## **The complaint**

Mr R complains that Santander UK Plc won't help in his dispute about the quality of a sofa.

## **What happened**

In January 2023 Mr R used his Santander Bank Plc credit card to pay £1490 for a sofa. When it was delivered Mr R said it was the wrong colour and damaged. So he contacted the supplier of the sofa. After some back and forth the supplier offered Mr R £200 price reduction in terms of a refund and he could keep the sofa or Mr R could return the sofa at his cost for a refund. But Mr R didn't think the £200 was enough and didn't think he should have to cover the cost of the sofa return. So he complained to Santander.

Santander looked into the matter and has said it didn't consider Mr R's dispute should be successful through either chargeback or Section 75 of the Consumer Credit Act 1974 (CCA for short). Mr R says he also asked for the interest and charges on his credit card related to the sofa to be waived but Santander hasn't done that.

Mr R didn't think this was fair, so he brought his complaint to our service. Our investigator looked into the matter. Overall, she didn't think Santander had acted unfairly by declining Mr R's request for a refund. Mr R didn't agree. So the complaint has been passed 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 should make very clear that this decision is not about the supplier which isn't a financial services provider and doesn't fall within my remit regarding chargeback or Section 75. Whatever the issues there maybe with the supplier and just because Mr R says he has lost out here, it doesn't necessarily follow that Santander has treated Mr R unfairly or that it should refund him. And this decision is solely about how Santander treated Mr R. I hope this point is clear.

There's no dispute that Mr R used his Santander card to make the purchase of the sofa. So I don't think Santander did anything wrong by charging it to his account.

In certain circumstances, when a cardholder has a dispute regarding a transaction, as Mr R does here, Santander (as the card issuer) can attempt to go through a chargeback process which is managed by the card network (not Santander). I don't think Santander could've challenged the payment on the basis Mr R didn't properly authorise the transaction, given the conclusion on this issue that I've already set out.

Santander is required to consider whether there is a reasonable prospect of success when it is considering whether to go through the chargeback process or not. If it does go through the process, then it must do so properly. And if Santander takes the chargeback as far as it can then the network (not Santander) will then make an independent determination on the

matter. So Santander isn't solely responsible for the decision whether to refund or not, when going through the chargeback process. And it can fairly decide to not proceed at any stage, if it doesn't think there is a reasonable prospect of success.

Here Santander said it didn't consider Mr R had a reasonable prospect of success because Mr R still had possession of the sofa and hadn't returned it to the supplier, which was an option available to Mr R, albeit at a cost. Bearing in mind that a chargeback is in essence a reversal of the transaction and that Mr R hadn't returned the sofa, I'm not persuaded the chargeback would have been successful. This is because I'm satisfied the supplier would have requested Mr R to return the sofa at his cost as per the terms and conditions (which is what it did do). So I think a chargeback didn't have a reasonable prospect of success, so Mr R hasn't lost out because Santander didn't pursue a chargeback any further.

A business such as Santander can only be held responsible under S75 of the CCA if certain requirements are met *and* if there is breach of contract or misrepresentation of the contract and if there is that it means that Mr R has lost out. Our Investigator concluded that there was no breach of contract by the supplier.

Here the supplier's terms and conditions are clear on the topic of returning goods across a number of scenarios that the purchaser bears the cost of the return whether they arrange for the supplier or its agents to collect the goods or that they are returned by the purchaser or their agents. These are the terms and conditions agreed when making the purchase. Mr R says the terms are insufficiently clear on his particular situation. But Santander aren't responsible for that, it is responsible for considering Mr R's s75 claim fairly and bearing in mind the terms of the supplier as a whole I'm not persuaded Santander has treated Mr R unfairly by expecting him to bear the costs of the returning of the sofa to the supplier.

Here the supplier offered £200 reduction in price and Mr R could keep the sofa. Mr R says this isn't enough but the supplier wasn't obliged to make such an offer. And Mr R could have a refund if he complied with the agreed terms by returning the sofa at his cost. So bearing in mind the offers made to Mr R covering the scenarios of returning or keeping the sofa I'm not persuaded that Santander has treated him unfairly by declining his s75 claim to it.

Mr R didn't agree to covering the return costs as he said the goods were faulty so didn't think this was fair. I've no doubt that Mr R feels the situation he finds himself in is unfair. But Santander isn't responsible for the specific terms that Mr R agreed with the supplier. Its only responsible for considering chargeback and s75 claims here. And as such terms are commonplace and fair, I'm not persuaded Santander has failed here in not considering this to be an unfair contract term. Just because Mr R doesn't want to be held to the cost of the return of the sofa doesn't make it an unfair contract term.

Mr R points to interest and charges being applied to his card account in relation to the transaction for the sofa. There's no dispute that such charges are part of the agreed contract between Mr R and Santander in the provision and operation of his account. In essence Mr R position appears to be that as he has a dispute with the sofa supplier he shouldn't have to be bound to the terms he's agreed with Santander. But clearly Santander hasn't applied these charges unfairly, but rather Mr R hasn't paid what he should have. When consumers have disputes with merchants, some card providers, as a commercial decision, may not apply, or waive such charges, but that is solely at their discretion, it is not a contractual right for card holders. There is nothing persuasive in the terms Mr R agreed with Santander that means Santander has treated him unfairly by applying these charges. So it is entitled to pursue him for them. Mr R says *'the costs, interest, late payment charges and bad credit ratings are all increased which is no fault of ours as we are trying desperately to resolve this.'* But I don't agree. Whether or not Mr R has a dispute with a merchant he does have an agreement with Santander which says in essence if he doesn't pay what he's obliged to then

it can add charges, interest, and late payment fees. And it's obliged to report the true status of his accounts to credit reference agencies. And so in the situation Mr R describes I think it would be fair for Santander to make such charges or report his credit situation accurately.

Mr R says as consumers '*we did not know which way to turn and feel completely unaided in this instance.*' I'm sorry to hear this. There are organisations such as citizen's advice who can provide advice, or Mr R could pay for professional independent legal advice for this situation if he wished to. However it is of note that in reference to both the supplier and indeed Santander Mr R has chosen not to comply with the terms of contracts he has agreed to, regarding the returning the sofa if he wishes to (at his cost) and paying what he's obliged to do so on his account with Santander. And there are removal agencies who'll transport and insure the sofa in transportation to the supplier for a fee. Or he could keep the sofa and accept the £200 price reduction. So I'm not persuaded on balance that Santander has treated Mr R badly and so Mr R's complaint is unsuccessful.

I do appreciate that this isn't the decision Mr R wants to read. But Santander hasn't treated him unfairly.

### **My final decision**

For the reasons set out above, I do not uphold the complaint against Santander UK Plc. It has nothing further to do here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 April 2024.

Rod Glyn-Thomas  
**Ombudsman**