

The complaint

Mr L is unhappy Santander UK Plc stopped paying interest on his Select current account without telling him.

What happened

Mr L holds a sole and joint Select current account with Santander. This type of account pays interest subject to certain conditions. These conditions include, having at least two active direct debits on the account.

In June 2020, Mr L realised that he hadn't been receiving interest on his sole account since January 2019. Mr L said Santander should have made him aware that interest was no longer accruing on the account, especially as he had more than two direct debits set up on his joint account, so he could have moved one of these.

Mr L complained to Santander as he said he'd still been paying the £5 monthly fee attached to this account, and he said one of the benefits was having an advisor. And since he'd opened the account his eyesight had deteriorated, and he could no longer read his statements. He thinks Santander's adviser should have told him to move one of his direct debits to his sole account so he could continue qualifying for the interest. But they never told him that interest was no longer accruing on his sole Select account

Santander said Mr L hadn't been receiving interest on his account because he hadn't met the criteria for this from January 2019, when he only had one active direct debit on his account. Santander also said whilst they're able to alert customers of other aspects of their account by text message and email, they don't inform them when they're missing out on interest. And an advisor would be able to answer any concerns brought to them by Mr L. They also said Mr L cancelled the direct debit for his sole account that had reduced the number to only one active direct debit before his visibility had diminished. But said, as a gesture of goodwill they'd refund Mr L the £5 monthly fee for each of the 17 months interest hadn't been paid and offered a further £30 compensation.

Mr L wasn't happy with Santander's response and thinks they should pay him the £26 per month interest he says he's owed from January 2019. He referred his complaint to us.

Our investigator looked at Mr L's concerns. She said Santander had made the eligibility criteria clear in Mr L's bank statements and that the accounts' terms and conditions didn't say that Santander would contact customers to let them know they weren't receiving interest.

Mr L disagreed. He said Santander should have helped him to manage his account in order to receive the interest especially as they'd continue to earn interest from the high balance he had on his account. He has asked for an ombudsman 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.

Having done so I'm not upholding this complaint. I'll explain why.

We're an informal dispute resolution service, acting as an alternative to the courts. This means we're impartial and look at both sides of the story. We don't place more weight on one side's story because of who they are. We ask questions and weigh up all the information we're given. For Mr L's complaint I need to determine whether Santander has acted in line with their terms and conditions for this account. And whether I think they have been fair and reasonable in their dealings with him.

I can understand Mr L's frustration as he has two Select accounts and enough direct debits if applied to each of them to satisfy the qualifying criteria for interest to be paid. Mr L has also told us about the difficulty he has in seeing the information in his statements which I'm sorry to hear about and I do sympathise with him. So, I can understand why he'd be disappointed to find out he hadn't been earning interest on his account for several months.

Santander have provided a copy of the key facts document that is relevant to this account. In this document, it explains that to qualify for the cash back and interest payments:

"You must pay at least £500 into your Select Current Account every month to qualify for cashback and interest. This is not a calendar month, it is the monthly anniversary from the date you opened/transferred your account. The £500 minimum monthly payment does not include refunded amounts from your Santander Select Debit card or amounts transferred into the account from another Santander account in your name (including any joint accounts). Transfers in from a Santander Business Account do count towards the minimum £500 payment."

And

"You must also have at least two active Direct Debits set up on your account."

Mr L's statement for his sole Select account (*1814) for December 2018 to January 2019, has a heading highlighted in a bold red, that shows how much interest has been accrued on the account for the current month and since opening. And for this statement period it shows no interest had been earned for this statement period. It also goes on to reaffirm:

"Pay at least 500 GBP into your account each month and have at least 2 active Direct Debits."

So, I'm satisfied Santander had made clear the requirements needed to qualify for the interest to be paid and that Mr L would have had regular reminders in the bank statements of the requirements that needed to be met to earn interest.

Mr L's understanding is that as he is paying a £5 monthly fee for his Select account, one of the benefits is that he would have an advisor, and that his advisor should have told him he was no longer receiving interest on his account. But as far as I can see, the terms of Mr L's Select account don't provide him with a personal advisor, the monthly fee is more in respect of overdraft charges being applied. And I can't see that Santander ever said they would get in touch with Mr L in any month when interest wasn't earned. So, I think it would be Mr L's responsibility to monitor his account to check he still qualifies for the benefits.

Mr L said he'd moved a direct debit to his joint Select account and Santander should have advised him against doing this. But I think Mr L should have known the direct debits he had and in which accounts, so I can't hold Santander responsible for what Mr L did. And as I've

explained above, I don't think Santander are obliged to proactively tell customers when they aren't earning interest on their account.

Mr L has pointed out his difficulty in being able to see the details in his statements. But it wasn't until June 2020 that he made Santander aware of this, so I can't hold Santander responsible for only providing Mr L's statements in the standard format. Santander has shown they offer other ways to make sure there is accessibility for their customers, this includes, large print, braille and audio compact disk. And I would expect Santander to arrange an alternative format for Mr L to help him, going forward to manage his accounts.

I understand Mr L is unhappy with the service he received from Santander in relation to his complaint. However, I haven't seen anything to persuade me that Santander have done anything wrong or had treated him unfairly.

I know Mr L will be disappointed with this outcome but for the reasons set out above, I don't uphold this complaint. Overall, I'm satisfied that Santander acted fairly in the way they applied the qualifying criteria to Mr L's account. And it's for Mr L to decide if he wants to accept Santander's gesture of goodwill offer.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 October 2020.

Anne Scarr
Ombudsman