

Complaint

Mrs W says Santander UK PLC mis-sold her a Payment Protection Insurance (PPI) policy with a credit card in the 1990s. The fact PPI was mis-sold isn't disputed, but Mrs W found it necessary to complain to our Service because Santander has since failed to pay her the redress she is owed.

Background

I see that one of our adjudicators provided both parties with a view about this complaint. The adjudicator said that they thought we should uphold the complaint because the redress ought to have been paid by now as Mrs W had done everything she'd been asked to do by Santander. They also said Santander should additionally pay Mrs W for the distress and inconvenience caused during her complaint.

Santander didn't agree with the adjudicator. So, as the complaint couldn't be resolved informally, it has come to me for an ombudsman's final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances.

Having done this, I'm upholding the complaint.

Overall, I think Santander has handled this complaint in an unreasonable manner and the delays caused have been completely unnecessary.

The sequence of events

At the outset, I think it's fair to point out that as I understand Mrs W had been a customer of the bank for a while, I would expect that Santander would have held adequate records of her verified identity, her personal details, address and similar information. This becomes relevant later on.

Santander wrote to Mrs W in January 2021 after she'd complained about being mis-sold the PPI and it agreed the policy had indeed been mis-sold to her. It calculated she was due (at that point in time) £2,371.55 for the mis-selling element and the associated interest. It asked Mrs W to fill out an acceptance form and return it, after which it would issue payment.

Santander says Mrs W didn't do this and that it had to write to her twice reminding her of this requirement. However, Mrs W says *she did* return the acceptance form more or less straight-away and I've seen some contemporaneous notes she made which say she posted it on 27 January 2021, a few days after the Santander offer of payment letter.

I also note the two 'reminder' letters Santander says it sent to Mrs W (on 15 and 25 February 2021) both specifically said that if she'd already sent the acceptance form back, then to ignore these reminders.

In the weeks that followed, still no payment was made to Mrs W and she says she had to telephone Santander to chase things up. As well as calling Santander, Mrs W sent a letter to the bank, a copy of which I've been shown. Mrs W then had to complain to our Service because still nothing was being done to get the money she was owed back to her.

Has Santander acted reasonably?

When our adjudicator became involved he obtained from Mrs W a post office 'receipt of posting' slip in relation to the above letter which Mrs W sent to Santander on 20 April 2021. He also obtained a delivery confirmation showing the letter had been received at Santander's offices the next day. In my view, these things represent compelling evidence in support of what Mrs W, rather than Santander, has been telling us about what happened.

Nevertheless, even in the face of this comprehensive evidence, the subsequent responses from Santander have been very poor indeed in my view, and have simply caused further and unnecessary delays in getting Mrs W paid. For example, having been given solid evidence that Mrs W did in fact send the acceptance form straight-away, it's been very disappointing that Santander has stuck to its position that it wasn't ever received, nor does Santander concede that Mrs W made any 'phone calls to chase matters up. All this seems to be based (entirely) on Santander's own computerised customer contact log containing, it says, no details of either the letter or any calls.

I've thought carefully about Santander's approach.

It has been provided with verifiable evidence of Mrs W posting her letter of 20 April 2021 chasing up the redress payment and confirming what she'd done. Santander has also been provided with evidence, via ourselves, of the actual letter she drafted.

However, most compellingly, I've thought about the likelihood of a consumer who had gone to the effort of making a mis-sale complaint in the first place – and having been offered £2,371.55 in compensation for that mis-sale – then failing to fill out a simple form to get the redress paid.

In my view, these circumstances point to Santander to being wrong in relying wholly on its customer log and to deny Mrs W had been trying to resolve the issue.

Not surprisingly, this has all caused Mrs W to wait even longer for a simple payment transaction from a bank that already has all the details it needs to carry out that function. Mrs W has subsequently sent more identity verification to further confirm her details.

In its latest response to our Service, it is regrettable that Santander has refused to consider the possibility of it having done anything wrong or the distress and inconvenience this will clearly have had on Mrs W, apparently a long-standing customer. And it's been disappointing that Santander still says it made no errors - when there is overwhelming evidence that it most certainly has.

To be clear then, Santander has, in my view, prolonged this matter unnecessarily. The evidence very clearly demonstrates that it mis-sold her PPI. Then, having complained and then been offered redress, Mrs W returned the acceptance slip as she had been requested to do so.

The evidence further supports that she had to chase up the business both by telephone calls and in writing. Mrs W - no doubt because of the problems she'd endured with Santander - had the foresight to record her actions and use registered postal services to demonstrate what she had done.

My findings are that Santander most likely lost Mrs W's redress acceptance reply. It then failed to properly log the 'phone calls she subsequently made and letter she sent regarding her redress. Santander also caused unnecessary and unreasonable delays which have resulted in her waiting for over a year for the redress, caused by Santander's mis-selling.

Even after these failings came to light, Santander failed to acknowledge the obvious distress and time wasting it caused by its refusal to properly 'grip' the complaint and sort it out.

What Santander should do now

- Santander has already admitted it mis-sold the PPI policy to Mrs W. In January 2021 it agreed to pay her £2,371.55 in redress, but it now needs re-calculate this to add 8% interest up until the time it eventually pays her in full.
- Santander should clearly explain to Mrs W how it has re-calculated this new amount.[†]
- Santander should pay Mrs W £40 for the distress and inconvenience caused by its repeated failures in this complaint.
- In the circumstances, Santander should expedite the above payment by contacting Mrs W directly and putting place specific arrangements to prevent any more misunderstandings or failures in paying the money it owes to Mrs W.

[†] HM Revenue & Customs requires Santander to take off tax from this interest. It must give Mrs W a certificate showing how much tax it's taken off if she asks for one.

Final decision

I uphold Mrs W's complaint.

I direct Santander UK PLC to promptly carry out the compensation payments as outlined above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs W to accept or reject my decision before 15 March 2022.

Michael Campbell
Ombudsman