

The complaint

Ms C complains that Santander UK Plc didn't tell her when they weren't able to set up a regular direct debit to her ISA account, as she requested.

What happened

Ms C holds accounts with Santander. These include a business account and a stocks and shares ISA held within Santander's Investment Hub.

In April 2019, Ms C completed an online request to set up a direct debit from her business account to make a regular monthly payment into her ISA. Having completed the process, Ms C received two letters from Santander dated 25 April 2019. They confirmed that her bank account details had been added to her investment hub.

A few days later, Ms S accessed Santander's online platform to check her direct debit had been set up successfully. But when she tried to do this, the screen flow displayed a message asking her to contact Santander.

Ms C called Santander on 1 May 2019 and explained what had happened. Santander confirmed her account details had been added to her investment hub but that it hadn't been selected for direct debit. They told Ms C how to do that by making various selections within the online screen flow.

Ms C later completed the online screens and she received letters from Santander dated 2 May and 4 June 2019. These again confirmed a change of bank details on her investment hub. Ms C also received two letters dated 4 June 2019 which confirmed the direct debit together with the source account, the regular amount and collection date.

In May 2021, Ms C noticed that regular payments under the direct debit she'd set up weren't being made into her ISA within her investment hub. So, she called Santander to find out what had happened.

Santander identified two potential reasons. Firstly, her business account was in a different name to her investment hub. Santander said that deposits into an ISA within the investment hubs had to come from accounts in the same name. Secondly, deposits into the ISA could only be made from a personal bank account. The account used by Ms C was a business bank account.

Ms C raised a complaint with Santander. She said Santander hadn't previously explained the problem to her and she'd missed out on the investments she'd intended. Santander responded to Ms C's complaint in a letter. They said they'd written to Ms C in 2019 telling her that set up of the direct debit hadn't been successful due to the source account used being a business account. They didn't agree they'd done anything wrong.

Ms C wasn't happy with Santander's response. She said she hadn't received any letters from Santander explaining the problem. She also said that when she spoke to them in January 2020, she was told everything was set up correctly. So, Ms C decided to refer her complaint to this service.

Having reviewed Ms C's complaint, our investigator thought Santander hadn't treated Ms C fairly. He believed Santander had failed to tell Ms C about the problem when she spoke to

them during a call. Our investigator thought Santander should pay compensation of £200 for the stress and inconvenience caused.

Santander accepted our investigator's findings and agreed to pay £200 compensation. Ms C remained disappointed and thought the compensation amount should be higher to reflect the missed investment opportunity.

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.

The Investment Hub service offered by Santander enables customers to access their Santander stocks and shares ISAs and Investment accounts through an online platform. It's clear to me that Ms C intended to make a regular contribution into an ISA account within the Investment Hub. In order to achieve this, Ms C first needed to specify a nominated 'feeder' account.

Ms C nominated her business account and received letters from Santander that this was successful. So, I don't think it would be reasonable for Ms C to think otherwise. I've considered Santander's Investment Hub Terms and Conditions. Schedule 2: Investments Services, Section 3 addresses 'Paying Into your ISA. Paragraph 3.1 says "*You must make payments into your ISA with your own money*". This is usual for an ISA given the tax benefits associated with this product.

I understand Ms C's business account is held in her maiden name. But it still belongs to her. So, I think she could fairly assume that she could make payments into her Investment Hub from that account. I can't find anything within Santander's Terms and Conditions that states otherwise.

Santander said payments could only be accepted into the Investment Hub from a personal account. Again, I've been unable to find anything that confirms this. But that is their policy. It's not our role to ask a business to alter its policies and procedures or impose improvements on the level of service offered to their customers. These aspects fall firmly within the remit of the regulator – in this case, the Financial Conduct Authority (FCA). But it is our role to examine and decide whether a business has been fair and reasonable in the manner in which those policies and procedures are applied in the individual circumstances of Ms C's experience with them.

Santander said they wrote to Ms C in 2019 to explain why her regular payment direct debit couldn't be set up. They've provided a copy of this letter which is correctly addressed. While Ms C says she didn't receive this letter, I can't reasonably hold Santander responsible for that. Once despatched, they wouldn't have had control over its delivery. But given her actions, I'm persuaded she didn't see the letter.

Ms C called Santander in May 2019. This was prompted by a screen message when accessing and checking her Investment Hub. Having listened to a recording of that call, I think it was clear that Ms C was seeking assistance to check that her direct debit had been successfully set up. As this call post-dated the letter Santander said they sent, I think they had full opportunity to further explain and address any potential issues. They didn't do that here, and Ms C subsequently received letters confirming the direct debit had been set up successfully. So, I think Santander could've done more to address Ms C's problem at an earlier stage.

Ultimately, the problem was identified. But not until 2021. Despite all of the above, Santander have confirmed that during 2019 and 2020, four regular payments were accepted into Ms C's Investment Hub account. This appears to contradict their own policy. Santander's investment team have confirmed there were system errors which, once identified, were resolved. I understand these amounts have since been refunded to Ms C.

I'm pleased that Santander have accepted our investigator's recommendations. I agree that compensation should be paid to reflect the inconvenience and distress caused.

Compensation is a personal thing. What is seen as reasonable by one party may not be considered so by another. Ms C did experience some inconvenience. But I think the proposed amount feels fair in all the circumstances here. I appreciate that Ms C doesn't agree. But it isn't the role of this service to make awards in order to penalise Santander for their mistakes here.

Ms C's wants compensation to reflect lost investment returns. But as the transfers couldn't be and weren't made, those funds remained available for Ms C to use in other ways. Any award is considered based upon the impact Santander's mistake had upon Ms C. And I think the compensation amount proposed does that here

My final decision

For the reasons set out above, I uphold Ms C's complaint.

I require Santander UK Plc to pay compensation to Ms C of £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 25 May 2022.

Dave Morgan
Ombudsman