

The complaint

Mr and Mrs T complain that Santander UK plc changed the details on their mortgage account and their credit files on the basis of a letter from a fraudster. As a result, they say they have suffered identity fraud with other lenders as well as with Santander.

What happened

Mr and Mrs T had a residential mortgage with Santander. In June 2019, Santander received a letter claiming to be from Mr T, asking it to change all his and Mrs T's contact details. It went ahead with the changes.

In July 2019, Mr and Mrs T repaid the mortgage. The following year, Mr and Mrs T were turned down for a car loan. They checked their credit files, and found various accounts had been opened in their names which they knew nothing about. Their contact details on some of their own accounts – including the Santander mortgage – had also been changed.

Following Mr and Mrs T's complaint, Santander accepted it hadn't done enough checks when it received the fraudulent letter in 2019, and it shouldn't have changed Mr and Mrs T's contact details. It removed the fraudulent details from its records, and amended Mr and Mrs T's credit files to remove the link to the fraudulent address. It also said it was sorry and sent Mr and Mrs T £500 by way of compensation.

Mr and Mrs T said that wasn't good enough and got in touch with us. Our Investigator thought Santander had done enough to put things right. He found the fraudster had a lot of Mr and Mrs T's personal information and had sent similar letters to other lenders with whom Mr and Mrs T held mortgages. He didn't think he could fairly hold Santander responsible for the wider problems Mr and Mrs T had had with the fraud.

Mr and Mrs T didn't accept that conclusion. They thought Santander was the first to have linked the fraudulent address to them on their credit files, and it was this which had led other banks not to carry out thorough identity checks before opening fraudulent accounts. They also said Santander hadn't been helpful when they told it what had happened, and they had had to spend a huge amount of time and energy sorting out the mess – and it isn't over. They wanted more compensation.

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.

Mr and Mrs T have been victims of identity theft, and I was sorry to read about their experience; I have no doubt that it has been very distressing and upsetting for both of them. It will also have been very time-consuming to try and sort out. I understand that Mr and Mrs T have been keeping a close eye on their credit files and have also looked into protective registration with fraud prevention agencies, and I hope this will have given them some reassurance.

There's no dispute that Santander shouldn't have changed Mr and Mrs T's contact details in 2019 without first making enquiries. It has removed the fraudulent details from its records, along with the information it recorded about the fraudulent address on Mr and Mrs T's credit files. It has also apologised and paid Mr and Mrs T £500 compensation.

Mr and Mrs T feel very strongly about what happened and that Santander shouldn't have made the mistake in the first place. That's not in any doubt. However, it's not possible now to turn back the clock and unwind things – and it's not for the Financial Ombudsman to fine or punish financial businesses when they get things wrong. I can make awards of compensation but, having considered this case very carefully, I've come to the same conclusion as our Investigator: I think the £500 Santander has already paid represents a fair settlement.

I've seen a copy of the fraudulent letter, which Santander has also sent to Mr and Mrs T. It asked Santander to update all Mr and Mrs T's contact details, and contained their home address, and details of their residential mortgage including the start date, monthly payment and balance, and account number. It also included both Mr T's and Mrs T's e-mail addresses and mobile and landline numbers, and Mr T's date of birth, as well as details of a Santander loan in Mr T's name.

It's clear that the fraudster had a great deal of Mr and Mrs T's personal information at their disposal *before* Santander acted on the letter. There's nothing to suggest that they got that information from Santander, and I understand that they also wrote to another of Mr and Mrs T's lenders on the same date, with details of some of Mr and Mrs T's buy-to-let mortgages – and Mr T's contact details with that lender were subsequently also changed to the fraudster's.

I can certainly see that once a fraudster has convinced one bank to change an address on an account, it's likely to be easier for them to commit further fraud. Linking the fraudulent address to Mr and Mrs T on their credit files is part of that process – but it doesn't mean that other lenders shouldn't carry out proper checks before lending or making their own amendments. And, given the amount of personal information the fraudster had about Mr and Mrs T and their contact with at least one other lender, I can't fairly find that the fraud Mr and Mrs T have experienced wouldn't have happened but for Santander's part in the matter.

I do think Santander should have done more to help when Mrs T initially alerted it to what had happened, and it should, for example, have directed her to appropriate organisations rather than to the police. It did however later confirm it had corrected Mr and Mrs T's records and, in all the circumstances, I consider the £500 it has paid is a fair award in recognition of the considerable upset and inconvenience Mr and Mrs T have been caused.

My final decision

My final decision is that Santander UK plc has done enough to settle this complaint, so I make no order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 23 May 2022.

Janet Millington
Ombudsman