

The complaint

Mr M complains that he has been unable to access his current account with Santander UK Plc, trading as Cahoot, due to technical issues with the Cahoot website. He said he's been unable to manage his finances and his credit rating has been impacted.

What happened

Mr M had a current account with Cahoot. He said he'd had it for nearly 20 years. In early 2020 he started to experience problems logging into his account online. He said he would enter his username and password credentials but after clicking to log-in he would be directed to a random Santander page, with Santander logos and not to his Cahoot account details. He said this started happening more and more frequently until the point where he couldn't access his account. Sometimes he would be returned to the login screen and on other occasions he would get to see his home page but within two or three clicks would be kicked out of the account. He complained to Santander.

Mr M said he wasn't satisfied with the technical explanation given for the difficulties, because of his knowledge of software systems. He said he tried the suggestions made by Santander, but still could not access his account. Mr M said Santander failed to accept there was a problem with the bank's system and told him it was a problem at Mr M's end. He said he was told he could use telephone banking.

In its final response Santander said it hadn't made an error. It asked Mr M to carry out several actions as known workarounds to the problem. It also asked him to provide specific information to its technical team.

Mr M brought his complaint to this service. He said it had been difficult to manage his finances including standing orders and direct debits. Mr M added that he also wanted to reduce his £2,000 overdraft incrementally over the next 6 months until it is a zero balance so that he could leave Santander altogether as was fed up with it. He said if Santander couldn't fix the system then he wanted it to write off his overdraft and close the account. He said he didn't want any further charges because of the poor customer service. Mr M also complained that Santander had blocked the transfer of his account to another bank, M, because of his overdraft.

Mr M said he suffers from mental health issues and this situation has contributed to a deterioration of his condition.

Our investigator didn't believe that Santander had done enough to resolve the matter, nor had it done enough to identify Mr M as a vulnerable consumer, despite the fact he had clearly informed Santander about his health issues at a very early stage of the complaint process. She said Santander should have been more proactive and should have called Mr M to assist him. So she awarded £350 compensation to Mr M.

Our investigator concluded there was no evidence to believe Mr M had made any effort to repay the overdraft balance so she couldn't ask Santander to write it off. She said Mr M was liable to repay it in line with the terms and conditions of his account. She also noted that

interest and charges had been applied as per the terms and conditions. But she also concluded that Mr M had not had clear visibility on his account activities until the account switch to M in November 2020.

The investigator said given those circumstances she believed it reasonable to ask Santander to remove the adverse credit markers placed from the date on which the issue was initially reported to Santander until the account switch.

Santander believed the award of £350 was too high but it was prepared to mediate and offered Mr M £250. It said it didn't agree to remove the adverse markers during the delay of the switcher process as the debt remained outstanding. It said if the problem had been due to access it would have expected the balance to have been paid once the switcher went through.

Mr M agreed with the investigator's view. But he challenged why the investigator hadn't asked Santander to waive charges and interest on the overdraft. The investigator informed Mr M that the bank is entitled to charge interest and fees in line with the terms and conditions. But Mr M didn't agree with the offer of £250 from Santander and asked for final decision from an ombudsman.

I issued a provisional decision on 3 May 2022. I said:

Having done so and subject to any further information I might receive from either party I find the award of £350 to be fair and reasonable. But I don't think it reasonable that Santander remove the adverse markers. I've explained my reasons below.

I'm pleased to see that Santander has accepted that it is fair and reasonable to offer Mr M compensation. But it said an award of £350 is too high and that £250 is more appropriate. Mr M's Santander bank account Was under the brand and trading name Cahoot. A Cahoot bank account is sold as an online internet bank account. As such I would expect customers to be able to access their account through the internet. Mr M had recurring problems logging in to his account using his computer. He reported these attempts to Santander which advised him to perform a number of actions to try to fix the issue. I can see that Mr M became frustrated that his attempts to solve the problem failed and his attempts to talk through the problem with the technology team also failed.

I note from internal notes provided by Santander that Mr M's IP address had changed during several e-banking sessions and that this would log him off as a security feature. It believed this was the root of the problem. It had asked him to clear his internet cache completely, but that Mr M had only done this partially and that this was or added to the cause of the problem. But Mr M made it clear to Santander that he'd cleared the cache except for the elements that he needed. Mr M also told Santander that he had experience with similar systems in a professional capacity and that the solutions it was suggesting were not working. In its final response Santander asked Mr M to provide a list of information he said he had already provided. Given this is primarily an internet based account I think at this point Santander could have engaged better with Mr M to help him solve his technical problem.

Mr M also told Santander early on in the complaint he had a mental health illness and this situation was causing this to escalate. On the basis that this account is an online account only, that Mr M was potentially a vulnerable customer, and he was having technical difficulties beyond his own professional experience I consider that Santander could've engaged with him earlier, more proactively and helpfully. And on that basis I think £350 is fair and reasonable compensation.

Mr M has asked Santander to remove the adverse markers from his credit file. He said up until the point of the switch he didn't have sufficient access to his account. I can see from the contact sheet Mr M contacted Santander on 6 July to report his problems accessing the account. I'm not disputing Mr M when he said he had these problems but I'm persuaded he did have sufficient access to his account that he was aware of the balance between July and October, aware enough to make withdrawals right up to his overdraft limit.

Mr M's overdraft limit was £2000. On 17 July Mr M made debits to his account bringing his overdraft balance to £1873.15. On 18th and 20th he made a series of purchases which brought his balance over his overdraft limit to £2067.05. There was also a direct debit payment and reversal on 20th for £7.47. On that same day he made a payment of £100 from another account in his name to bring his Cahoot balance back to just below the overdraft limit. Mr M then made two payments on 22 July which brought his account to £1995.42, just shy of the limit. Then on 23 July a large deposit was made into the account bringing it into credit.

A similar pattern of payments occurred a month later. Mr M brought his account balance to £1995.93 on 19 August. Then there was the same direct debit reversal of £7.47, followed by a large deposit on 21 August bringing the account into credit. This pattern repeated itself a month later in September.

Then, on 25 September Mr M's balance was in credit at £1,262 when he made a large withdrawal of £2,500. From 24 October onwards Mr M's balance was almost always close to or just over his overdraft limit with several failed direct debits. I can also see that from as early as February 2020 Mr M had a standing order of £1,000 from his Cahoot account into his M account.

Mr M said he intended to reduce and pay off his overdraft. But from this pattern of spending and the significant withdrawals every month to M as well as the very large withdrawal just before he requested to switch accounts I'm persuaded Mr M was aware of his overdraft balance and, up until and beyond when he brought his complaint, he hasn't made any payments to reduce the overdraft balance. Santander has said that if Mr M's problem was due to access (or lack of) to the account then it would have expected the balance to have been paid once the account switch to M had been completed. And I'm inclined to agree that the overdraft would at least be partially reduced. So, I think it reasonable for Santander to apply the adverse markers to Mr M's credit file as an accurate reflection of account movements.

Neither party commented on the conclusions in my provisional decision.

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.

As neither party has commented on my provisional decision, or provided further evidence, I see no reason to depart from its conclusions.

Putting things right

Santander UK Plc should pay Mr M £350 in compensation.

My final decision

My final decision is that Santander UK Plc must pay Mr M £350 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 August 2022.

Maxine Sutton
Ombudsman