

## **The complaint**

Mr P complains that Santander UK Plc incorrectly recorded his mortgage account arrears balance.

## **What happened**

Mr P is complaining about a residential mortgage with Santander held on interest only terms. He was unhappy with how Santander had administered his account for various reasons. But his main concern was that he'd been given conflicting information regarding his arrears balance.

Santander told him that at the time of his most recent annual statement in 2019 his arrears balance was £395.84. Mr P didn't agree with the amount and complained that he'd been given different information previously over the phone.

He made several unsuccessful attempts to resolve things directly with Santander which led a formal complaint being raised. Santander didn't uphold the complaint and in its final response letter reconfirmed the 2019 end of year balance to be £395.84.

Mr P still didn't agree so he referred his complaint to our service. Following our involvement, Santander provided a full breakdown of the mortgage account, prepared by its mortgage centre. This showed the loan arrears balance to be £342.17 as of December 2019.

Our investigator looked into things and upheld the complaint as he agreed that Mr P was right all along about the arrears balance being incorrect and awarded £100 compensation for the distress and inconvenience caused.

Although satisfied that the new arrears balance was correct, Mr P didn't feel £100 fairly compensated him for the time and effort spent trying to sort matters with Santander and the inconsistent information given to him to date.

I issued a provisional decision in September 2021 and in summary I agreed £100 didn't fairly compensate Mr P for the trouble and upset caused. When considering everything and taking into account how Mr P had personally been impacted as a result of Santander's errors, in my opinion £250 was fair - given Mr P's specific circumstances.

Mr P and Santander both accepted this outcome and agreed to settle the case informally on the basis that Santander would:

- Credit the £250 compensation payment to Mr P's mortgage account;
- Send Mr P an up to date statement to show the revised balance following the £250 credit and the readjustment of £53.67 (when using the correct 2019 end of year balance); and
- Provide an accompanying letter of apology.

The case was subsequently closed. However, Mr P further contacted our service to say he'd not received all the information from Santander as agreed. Despite ongoing efforts to resolve

things directly with Santander since September 2021, I'm disappointed Mr P's complaint still hasn't been adequately settled as agreed.

Both parties have been informed of my intention to issue a formal decision on this case including my proposal to increase the compensation award by £150 to reflect the ongoing distress and inconvenience experienced by Mr P.

Santander acknowledged the final deadline provided but made no further comments. Mr P agreed with my proposal.

### **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.

Both parties agreed to the information resolution in September 2021.

Since then Mr P has received an interim statement from Santander dated 21 October 2021. Mr P doesn't think that sufficiently shows the readjustment has been applied to his account. I agree.

As previously mentioned, as part its investigation into this complaint Santander has provided our service (subsequently shared with Mr P) a manually prepared, full breakdown of the mortgage account until 2019. This included the readjustment of his arrears balance to show the correct arrears balance of £342.17 as of December 2019.

The interim statement provided in October 2021 shows the opening balance in January 2021 along with the payments made by Mr P from January to October 2021. I can see the £250 compensation amount was credited to his account on 7 October 2021.

What Santander hasn't provided is a full breakdown of account for 2020. Mr P has requested this to show the correct (amended) end of year balance from 2019 has been correctly applied to his account and carried over into 2020 and subsequent years.

Given the previous inconsistencies experienced by Mr P, I don't think it's unreasonable for him to want this information as reassurance that the correct balance from 2019 was carried over and what his most current balance is taking into account the transactions from 2019 onwards.

Despite Santander saying it would provide this information we're yet to receive it. More recently on 30 May 2022 it said the account breakdown had been requested from the relevant department. It's disappointing that Mr P has had to wait almost nine months for his case to be resolved properly as agreed. As such I think it's only right he's compensated for the ongoing distress and inconvenience caused as result of him still trying to get things sorted.

### **Putting things right**

To put things right Santander must honour the resolution agreed in October 2021 as set out above. Most importantly it should provide Mr P will a full breakdown of account from 2019 to date to show the arrears balance readjustment has been applied and carried forward from 2019 into the subsequent years.

In addition, I also direct Santander to pay Mr P a further £150 compensation to acknowledge the ongoing distress and inconvenience caused by the lack of resolution for almost nine months.

### **My final decision**

My final decision is that I uphold this complaint and direct Santander UK Plc to resolve this complaint as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 July 2022.

Arazu Eid  
**Ombudsman**