

The complaint

Mrs J complains that Santander UK Plc made an international payment from her account after they'd agreed to stop it.

What happened

Mrs J holds a current account with Santander.

On 20 August 2021, Mrs J arranged an international payment of €8,650 from her account using Santander's online banking service. But the payment wasn't completed, and Santander placed a block on her account.

Santander called Mrs J on 21 August 2021 to verify that she'd originated the payment instruction, confirm the details and establish the precise nature of the transaction. Having completed the required verification, Santander asked Mrs J if she wanted to proceed with the payment. But Mrs J had decided not to proceed. She'd discovered that she could make the payment a different way with a different business and would save herself around £250. Santander agreed to cancel the payment instruction and lift the block on her account. But they explained this may not be completed until Monday 23 August.

Mrs J called Santander on Monday 23 August 2021 as the block still hadn't been lifted on her account. Santander confirmed the international payment had been cancelled. But they had left the block in place in error. Mrs J was upset as she needed to arrange the international payment through the other business urgently. She wanted them to remove the account block. Mrs J wanted Santander to raise a complaint. She wasn't happy with Santander's actions and hadn't been able to access her account or make payments to family members. She also told them she wasn't happy with some of the personal questions she'd been asked during the call on 21 August 2021.

Also on 23 August 2021, Mrs J contacted another business to arrange the international payment. That business agreed an exchange rate with Mrs J and set up the necessary details to make the payment for her. But they needed her to send them the money from her current account with Santander.

The following day, Santander sent the original international payment from Mrs J's account with them, despite having agreed to stop this.

Santander responded to Mrs J's complaint in a letter dated 31 August 2021. They agreed they'd made mistakes and paid compensation of £200 into her account with them.

Mrs J wasn't happy with the compensation she received. She said that Santander had caused her financial hardship by sending the payment and she'd had to borrow money from a family member as a result. She wanted Santander to pay her £2,000. So, she referred her complaint to this service.

Having considered all the circumstances, our investigator agreed that Santander had made mistakes. But they didn't think the compensation paid by Santander was enough. So, they recommended Santander pay Mrs J another £50. Santander agreed to our investigator's recommendation. But Mrs J didn't think the amount was enough. She said the payment from Santander was a gesture of goodwill to reflect the inconvenience caused and her time spent trying to resolve matters. She said the payment didn't reflect the additional exchange rate costs incurred by Santander processing the payment.

As an agreement couldn't be reached, Mrs J's complaint has been referred to me to consider further.

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.

Santander agree they made mistakes here. In particular, the block on Mrs J's account wasn't lifted when they said it would and the international payment wasn't stopped, despite them confirming it would be. So, the issue here is whether the proposed compensation reflects the overall impact Santander's mistakes had upon Mrs J.

Mrs J would like compensating for the time she spent on the telephone trying to resolve matters together with her call costs. Everyone can be inconvenienced at times in their day-to-day lives – and it's not unusual to experience a certain level of frustration and minor annoyance when dealing with financial businesses. But for me to make an award I'd need to see that the impact of a Santander's mistake was more than what someone would expect to experience in everyday life.

The original call on 21 August 2021 was originated by Santander's fraud department. They had concerns about the transaction Mrs J had requested. Such situations are not unusual. Where a transaction is instructed which may be out of the ordinary, banks have systems in place to identify and stop this until it can be verified as authentic. That is what Santander did here. I can't reasonably say they did anything wrong when they stopped Mrs J's payment instruction. The steps they took are what I would expect of them and would help to protect both Mrs J and Santander from falling victim to a potential fraud or scam.

Mrs J wasn't happy with some of the questions asked by Santander. I appreciate that some of these may have been very personal. But I think Santander were really trying to act in Mrs J's best interests here by better understanding the circumstances around the payment. So, I can't reasonably say they did anything wrong here either. But they didn't lift the account block and they didn't stop the international payment – both of which they'd agreed to.

It's apparent that Mrs J always intended that the payment be made. The issue here is around how the payment was made and at what cost to Mrs J. There's no evidence that the international payment was duplicated. So, while Mrs J may have incurred additional costs by Santander completing the payment, I can't see that she was otherwise financially disadvantaged.

Mrs J has provided copies of email exchanges she had with another business on 23 August 2021. These show she'd agreed to make the international payment through them. The amount Mrs J would've needed to pay through this company was shown as £7,472.36. The evidence provided by Santander shows that Mrs J paid £7,627.08 when they completed the payment. So, I'm persuaded that had Santander cancelled the instruction, as agreed, Mrs J would've saved the difference of £154.72.

Putting things right

Santander paid Mrs J compensation of £200 to reflect any losses, distress and inconvenience. Our investigator has recommended this be increased to total of £250.

Compensation is a personal thing. What is seen as reasonable by one party may not be considered so by another. Mrs J did experience some inconvenience. But I think the increased amount proposed feels fair in all the circumstances here. I appreciate that Mrs J doesn't agree. But it isn't the role of this service to make awards in order to penalise Santander for their mistakes here. Any award is considered based upon the impact Santander's mistake had upon Mrs J. And I think the higher amount proposed by our investigator does that here. So, I don't think it would be fair to increase that.

My final decision

For the reasons set out above, I uphold Mrs J's complaint.

I require Santander UK Plc to pay further compensation of £50 to Mrs J, taking the total paid to £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 12 October 2022.

Dave Morgan
Ombudsman