

The complaint

Mr C is unhappy with delays in Santander UK Plc (“Santander”) changing the address for his current account. Mr C says that this meant he was unable to provide a bank statement with his new address which he required for an investment that he wanted to make. He says that this caused a loss of around £7,000 in interest that he could have received.

What happened

In February 2022 Mr C attempted to change his address as he had recently moved to a new house. He requested a bank account statement with his new address as he says he needed this to open an investment with the proceeds from a house sale. He says he was told that a statement with the new address would not be available until March 2022. Mr C subsequently did not receive a bank statement that was correctly addressed until June and raised this matter with Santander.

Santander admitted that there was an error at their end and made an offer of compensation of £250. Mr C did not agree with this offer as he felt that he missed out on many months of interest as he was unable to transfer the large amount of funds in his account until the updated statement was received. He therefore referred his complaint to the financial ombudsman service.

One of our investigators looked into this matter already. She did think that whilst Santander were at fault for delaying the change of address and providing a bank statement, she believed that Mr C could’ve used different address verification and therefore Mr C did not mitigate his financial loss. She therefore was of the opinion that the £250 compensation that had been offered was sufficient given the overall circumstances of this complaint.

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.

Having reviewed everything, it doesn’t appear to be in dispute that Santander made an error by not updating Mr C’s address. Therefore, all that is left for me to consider is whether what Santander has offered to put matters right is reasonable.

Firstly I will address the loss in interest that Mr C’s says he suffered from. Mr C says that the delays in his address being updated and bank statements being produced caused him a significant financial loss as he was unable to transfer the proceeds of a house sale into an investment account. He has said that he was unable to provide any other document to prove his address and where the funds were originating from and this meant he was unable to make the investment.

We have asked Mr C to demonstrate this loss and that it was not preventable by him. I say this because we would usually expect someone to mitigate any loss that they were going to suffer from. Mr C has provided information that shows the address verification requirements of the three institutions that he attempted to open accounts with and they broadly state that apart from a driving license (which he says he needed to use for id verification so could not use for address verification) they could only accept bank/credit card statements, utility bills, mortgage documentation or lease documentation.

Mr C has explained that he was not responsible for the utility bills in his new address and had no lease or mortgage documentation. So I accept that on the face of it, it may have been difficult for him to open an account specifically with these three institutions. But this does not mean that he could not make alternative arrangements so he could carry out a different investment or indeed put the funds somewhere else to earn interest whilst he was waiting for the updated bank statement. I also see no reason why he could not be added temporarily to a utility bill, or use a passport for id purposes if the matter was as urgent as Mr C claims that it was.

So I don't think that it would be reasonable for Santander to be liable for the loss that Mr C's says he suffered from.

That said I am satisfied that Santander's error would've caused Mr C distress and inconvenience. So I do think that Mr C is entitled to compensation for this. I should stress that awards that we make for distress and inconvenience are not intended to punish or fine a business.

I have considered everything that has been provided and I overall I think that £250 that has been offered by Santander is a fair reflection of the distress and inconvenience caused by having to contact it on a number of occasion to amend his address and receive an updated statement.

My final decision

I uphold this complaint and require Santander UK Plc to pay Mr C £250 to reflect the distress and inconvenience caused by this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 February 2023.

Charlie Newton
Ombudsman