

The complaint

Mrs R complains Santander UK Plc caused significant distress and inconvenience when it stopped her online shopping for no good reason, made worse by how it handled the issue.

What happened

Mr and Mrs R had a joint account with Santander, and a credit card issued by Santander too. Mr R was the primary credit cardholder and Mrs R was an authorised user. And Mr R has appointed Mrs R as his representative for the purposes of this complaint.

Mrs R is elderly, has a disability and is hard of hearing. She's responsible, amongst other things, for organising household food purchases. She's relied on online food deliveries ever since the lockdowns – and didn't have any problems until September 2021.

In September 2021, Mrs S says she placed an order as normal, but the credit card payment wouldn't go through when she used her card. She says her husband couldn't understand why the payment wouldn't go through – his card worked. She says this was really worrying, so she called Santander but had to give up after having spent two hours on the phone on hold. She called again the following day and waited over half an hour before speaking to someone who she says was dismissive and rude and essentially told her that she'd need a mobile phone in order to carry on using her card online. Mrs S complained about this, and says she was subsequently given inconsistent information, with one member of staff saying that she'd need to provide a mobile number or an email address going forwards.

Santander investigated Mrs R's complaint and said that it had made changes to its processes in order to implement strong customer authentication, and that this was an important measure designed to prevent fraud. Santander also said that sometimes its customers had to wait longer on its phones than it would want when there was unexpected call demand. Mrs R was unhappy with Santander's response and complained to us.

One of our investigators looked into Mrs R's complaint and said that Santander hadn't acted in a fair and reasonable way because it hadn't offered Mrs R the alternatives to be expected. Our investigator, however, thought that a £250 offer of compensation Santander had made after Mrs R had complained to us was fair and reasonable. So that's the compensation they recommended Santander pay given that Mr and Mrs R had closed their accounts in the meantime and moved their banking elsewhere. Mrs R didn't think £250 would act as a deterrent to Santander especially as she felt our investigator had confirmed that Santander had not only failed to implement strong customer authentication legislation but had also breached the Equality Act 2010. In the circumstances, she asked an ombudsman to look into her complaint and said that an award of £25,000 might make Santander think again.

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 is right that it had to make changes to its processes in order to implement strong

customer authentication legislation. Santander would have had to take other legislation into account too – for example, the Equality Act 2010 – as well as guidance issued by the FCA when doing so. Santander – along with the rest of the industry – was given until March 2020 to implement strong customer authentication for online banking and until March 2022 to implement strong customer authentication for online payments. There was, of course, nothing to stop Santander bringing in strong customer authentication sooner than that, if it wanted to do so.

In this case, having taken the relevant legislation and guidance into account – including the Equality Act 2010 – I agree with Mrs R that Santander didn't act fairly or reasonably in her case. That doesn't mean I agree with her that Santander breached the Equality Act 2010, not least because only a Court can say whether or not Santander has done so. But that's because we resolve complaints based on what's fair and reasonable. That means the main issue I have to decide is what would be a fair way to put things right in this case. And because Mr and Mrs R have closed their Santander accounts and moved their business elsewhere, I agree with our investigator that this means – in effect – deciding what compensation I should award. And that, in turn, means considering the impact Santander's failings in this case had, and assessing that impact against our approach to compensation – an approach that is published on our website.

Putting things right

I've read everything Mrs R has sent us and it's clear that the initial problem she had getting her online shopping order to go through and all of the subsequent problems that this caused – from the time she had to spend on the phone which, given her vulnerabilities, would not have been at all easy to the subsequent worry she went through – have led to substantial distress and inconvenience. I'm satisfied, having done so, that an award of £500 is appropriate in the circumstances. I know that Mrs R would like me to make an award that would act as a deterrent to Santander and that she has suggested an award of £25,000. That isn't, however, the purpose of our awards. They're meant to compensate and are meant to be based on impact. So, that's the basis on which I've made this award.

My final decision

My final decision is that I require Santander UK Plc to pay Mrs R £500 in compensation in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 12 January 2023.

Nicolas Atkinson
Ombudsman