

## **The complaint**

Miss A says a Santander UK Plc error prevented her from using her 2021/22 ISA allowance in full. And the service it has provided whilst trying to resolve this has not been good enough.

## **What happened**

Miss A went into one of Santander's branches on 24 February 2022 to make a £10,000 transfer to a third-party bank. Her motivation for doing this was to ensure she did not hold more money than would be protected by the Financial Services Compensation Scheme (FCSC) limit in any one bank. She had two cards for two different Santander accounts and explained to the adviser she was unsure which card was for which account (one an ISA and one a secondary current account). Miss A says she followed the adviser's prompts to try to resolve this, and this meant £10,000 was unintentionally transferred from her ISA - not her current account.

Santander told us it reset Miss A's ISA limit on 28 February 2022 to try to resolve this, but there is no evidence it told Miss A it had done this. Infact, when Miss A later complained Santander accepted it should have done more to see if it could have reversed the transfer. It said whilst the branch had processed the transaction incorrectly, Miss A had however input her pin and so authorised it. As the bank could not correct its error by moving money from Miss A's current account it paid her the lost interest of £105.30, in addition to £200 compensation for the distress and inconvenience caused. But it said it could not reset her 2021/22 ISA allowance as HMRC rules prevent this.

Miss A came to us as given the circumstances she wants her ISA limit for 2021/22 to be reset. In trying to identify which card was for which account the bank put her in the position where £10,000 was moved out of her ISA which was never her intention. And she is unhappy that Santander has given her conflicting and incorrect information both at time this happened in the branch, and as she has subsequently tried to resolve the issue.

Our investigator upheld Miss A's complaint. She said Santander had not enough done to try to reset the ISA limit, or if it had reset the limit it had not told Miss A. And she was satisfied it had been Miss A's intention to use her 2021/22 ISA allowance in full. She found Santander must pay Miss A an additional £100 compensation for the distress and inconvenience its actions caused, and it must contact HMRC to see if it will allow Miss A to use her full 2021/22 ISA allowance given it has accepted there were failings on its part.

Miss A initially accepted this assessment, but when Santander were slow to respond she said more compensation would be fair given the bank has dragged out the resolution.

Santander agreed to pay the additional £100 compensation but said it could not contact HMRC in relation to subscriptions from the previous year – there was only a 3-week window to do this at the end of each tax year.

As an agreement wasn't reached the complaint was passed to me to make a final 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.

I have thought carefully about all the points both parties have made in their submissions. In keeping with our role as an informal dispute resolution service, and as our rules allow, I will focus here on the key issues I find to be both outstanding and material to the outcome of Miss A's complaint.

It is no longer in dispute that there were failings on the part of Santander, and the bank has accepted that it is fair for it to pay Miss A a further £100 compensation. I think taking the total compensation to £300 appropriately recognises the trouble the bank has caused Miss A. She more recently challenged this on the basis that the bank has been slow to respond to us at times. But this is not something we can take into account when making awards – any compensation we award is determined by assessing the impact of the bank's error(s) on a complainant, and not the inconvenience created in bringing a complaint. It follows I am not increasing the £100 award that remains to be paid. I find its payment for lost interest to be reasonable.

What remains in dispute is the second part of the redress – the investigator's request that Santander contact HMRC. The bank says this is not possible as the window for such enquires has passed. But it seems to me from the bank's submissions that its taxation team initially said it could not contact HMRC as Miss A had made the mistake by authorising the transfer and there was no bank error.

However as the bank has now acknowledged it played a role in this unintended transfer, and that it did not promptly look at any remedies, I feel it is only fair that it now explains the position in full to HMRC and investigates if there are any exceptions to the standard rules in light of the circumstances. I don't think it'd be fair for Miss A to be put to further inconvenience herself by having to do this.

Santander has explained that there are restrictions to its ability to do that, but it doesn't seem that it can't do that – more that it's practically difficult for it to do so. But given Santander's mistake here, I don't think it's onerous to expect it to try its best to explore how it can put this situation right for its customer. Miss A is aware that Santander can only present Miss A's case to HMRC and will have to comply with its decision.

## **Putting things right**

Santander must pay Miss A an additional £100 compensation and contact HMRC to see if Miss A can retrospectively use her full 2021/22 ISA allowance. It should let Miss A know the outcome of this investigation.

## **My final decision**

I am upholding Miss A's complaint. Santander UK Plc must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 9 February 2023.

Rebecca Connelley  
**Ombudsman**