

## **The complaint**

Mr M complains that Santander UK Plc hasn't applied the correct interest to his accounts.

## **What happened**

Mr M says that he should have been receiving interest at a rate of 0.10% on his Everyday Saver Account and 0.80% on his Cash ISA Account. However, he says he wasn't receiving this amount and called Santander on several occasions to query this.

Santander issued final response letter in July 2022 saying that a mistake hadn't been made. It said it had arranged for an interest breakdown to be sent to Mr M and noted that interest was calculated daily and paid monthly or yearly. It said if the rates change; it would notify Mr M through his statement.

Mr M says Santander had calculated the interest at 0.01% which wasn't the amount he was promised or that was stated on his mobile banking application. He said that had he known the actual interest rate he would have changed his accounts to another bank or building society. As Mr M wasn't happy with Santander's response, he referred his complaint to the Financial Ombudsman Service.

Our investigator noted that the terms and conditions for the accounts said that the current interest rates and fees information will be given when the customer applies for the account. She noted that the interest rates were variable so they could change. Based on this she didn't find that Santander had applied the interest rate incorrectly. However, she did think that the mobile banking application needed to be updated to show the correct interest rates and recommended Santander pay Mr M £50 compensation for the upset he had been caused.

Mr M didn't agree with our investigator's view. He said it wasn't right that Santander could give incorrect information about its interest rates, and he reiterated that had he known the actual interest rate he would have moved his money sooner.

## **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 can understand why Mr M is upset by the interest rate he has received on his accounts and that he believes he should have received a higher amount. However, having looked at the information provided I do not find I can say that Santander has done anything wrong in regard to the application of interest.

Mr M has provided a screenshot of his accounts which show the interest rate on the Everyday Saver account as 0.10% and the interest rate on the Cash ISA as 0.80%. It isn't clear the exact date of the screenshot, but Santander has confirmed that the Cash ISA rate of 0.80% is the current interest rate and having looked at information available on Santander's website it shows that the rate of 0.1% was the interest rate for the Everyday

Saver account effective from June 2022. Therefore, it appears that the mobile application shows the current rate of interest relevant to the product at that time.

Mr M says he hasn't received the interest rate he should have. Santander has provided an interest calculation breakdown that shows Mr M received interest at rate of 0.01% on his accounts in the year March 2021 to March 2022. I appreciate this is lower than Mr M thought he would receive but his accounts have a variable rate of interest and the account terms and conditions set out that the interest rate can change. Santander has provided copies of Mr M's statements for the relevant period, and these show the interest rate of 0.01% on the ISA and the Everyday Saver account. As this information was available to Mr M at the time, I do not find I can say that he wasn't given the information needed to make an informed decision about where to place his money. As the statements show the interest rate to be the same amount as that used in the calculation of Mr M's interest, I do not find I can say that Santander has done anything wrong.

Our investigator recommended that Mr M be paid £50 compensation for the upset he had been caused. I can see that Mr M was concerned about his interest rate and while Santander has shown this was applied correctly, I think it could have done more to explain the situation to Mr M and so I do not find it unreasonable that compensation of £50 is paid and I note Santander didn't disagree with this.

### **Putting things right**

Santander UK Plc should pay Mr M £50 compensation for the distress and inconvenience caused in regard to his concerns about the interest rate on his accounts.

### **My final decision**

My final decision is that Santander UK Plc should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 April 2023.

Jane Archer  
**Ombudsman**