

## The complaint

Mr J complains about a Santander UK Plc (trading as Cahoot) payment error and how their lack of help had a significant impact on his health.

## What happened

I issued my provisional decision on this complaint on 17 November 2022. This is what I said:

### ***What happened***

*Mr J has disability which, among other things, impacts his ability to communicate. In July 2021, Mr J paid a cheque into his Cahoot bank account for £1,021.60. This was an important payment for Mr J as he had been laid off work due to Covid and wasn't in receipt of government furlough support.*

*Mr J noticed this cheque hadn't been credited to his account and contacted Cahoot so they could trace his cheque. Cahoot presumed the cheque was lost and Mr J was told to contact the institution that issued it to get a replacement. Mr J reminded Cahoot of his disability and told them that he had not lost the cheque. However, Cahoot's position remained the same and Mr J then took steps to try and get a replacement cheque sent.*

*This involved making telephone calls, which Mr J says he found very difficult and, when Mr J contacted the institution that issued the cheque for a replacement, matters became confused and complicated. This is because he was informed that the cheque had been cashed by another bank.*

*It was not until several months later that it became clear that rather than being lost, the cheque had been incorrectly credited to another Cahoot customer's account. In December 2021, Cahoot apologised to Mr J for the service he received and for disregarded the notes relating to his disability. They credited his account with £250 compensation. However, they said they no longer had the funds and it was therefore necessary for him to contact the payor to obtain another cheque and then make another payment.*

*Mr J complained to our service about the inconvenience, distress and impact on his disability. Our investigator didn't think Cahoot's compensation was sufficient and said this should be increased from £250 to £400.*

*Mr J remains dissatisfied and doesn't feel this is a fair outcome. This is because the events, the lack of help and the requirement for him to intervene, severely impacted his health. He feels Cahoot have targeted his disability and describes how difficult interactions were for him with sleepless nights and exhaustion, causing mute episodes which, in turn, caused a vicious circle of anxiety.*

### ***What I've provisionally 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 done so, for the following reasons, I have come to the view that the compensation award should be increased to £750 and that Cahoot should pay 8% interest on this amount. I don't think it's in dispute that Cahoot knew about Mr J's disability. Also, that he is a vulnerable customer here, in line with the Financial Conduct Authority's guidance on the subject.*

*That means the impact of Cahoot's mistake and handling of this situation here was far greater on him than it likely would have been for others in the same situation. This is further compounded by the fact that the payment here was in relation to a difficult situation where he was unable to work, and the missing cheque was really important to him because of the impact on his finances.*

*When Mr J informed Cahoot that his account hadn't been credited there was no investigation, and had Cahoot looked into the matter and checked transactions, it is likely that the error could have been spotted and rectified in a much quicker period of time. Instead, Cahoot left it to Mr J to investigate and resolve the matter himself and this took many months – in part because it was difficult for him to do so.*

*To add to this, Mr J says he asked for Cahoot's help and I can't see any offer of support on file, such as helping with correspondence. When Cahoot realised they had made an error, I was surprised to read that the funds were returned to the payee as this meant Mr J would have to wait longer for his funds. Also, the senior complaints manager, who knew about Mr J's circumstances, experience, acknowledges his disability, doesn't appear to offer Mr J assistance in the meantime.*

*Having established that Mr J is vulnerable under the above FCA definition and that Cahoot were aware of his disability and there is no evidence of support being offered, I looked closely at the impact of Cahoot's action on Mr J.*

*Mr J describes the experience as 'horrendous' and he feels that the bank ignored his needs at a crucial time. Mr J explained that he felt ignored and neglected by Cahoot staff and describes repeated stonewalling and how this made him feel unworthy and inferior. He was left wondering whether Santander recording the details of his disability on his customer profile led to Cahoot staff making a stereotype assumption about his mental capacity.*

*Mr J also describes the reality of Cahoot's lack of help and deflecting of blame onto others. Mr J found it necessary to communicate verbally and he found this extremely exhausting. He says he needed to prepare and rehearse to deliver his messages as he was left to speak to lots of different organisations and departments. He describes how this caused delay, trauma and distress and he had days where he was unable to communicate because he was mute. In considering what Mr J has said about this impact, I'm persuaded by his testimony around just how significant this was on his mental and physical health.*

*Having considered the above, I don't think Cahoot have recognised Mr J's vulnerability and the severe impact of their mistake and actions when offering £250 compensation. This service looks at the impact of a financial business' mistake on an individual, and in Mr J's case, this meant that Cahoot's error had a greater impact given his health and personal circumstances.*

*Overall, I don't consider Cahoot treated Mr J fairly or reasonably. They ought to have identified that he was vulnerable from his customer profile and looked into his cheque payment. In making an award for fair compensation, I've looked at all the circumstances and the impact any mistakes have had on Mr J and given careful consideration to Mr J's individual circumstances.*

*Having done so, I consider the amount offered to be inadequate and award £750. This award recognises the considerable distress and inconvenience caused as well as the impact on his health and well-being.*

*I've also thought about the fact that Mr J has been without this money for a period of time and has been deprived of the use of this too. In these circumstances, this service would award 8% simple yearly interest for the time a customer has been without the use of these funds and I think that would be fair here too.*

*I don't know whether Mr J has now been able to replace and cash this cheque, in which this amount would be payable from the date he first paid in the cheque to the date he successfully cashed it. Or if he hasn't yet done that, I think it'd be fair for the 8% to be payable from the date Mr J first tried to pay the cheque to his account – until the date any final decision is accepted. If Santander considers it necessary to deduct tax from any interest award it should provide Mr J with a certificate of tax deduction so he may claim a refund from HMRC if appropriate.*

### **My provisional decision**

*For the reasons given above, I plan to uphold this complaint and award £750 and tell Santander UK Plc trading as Cahoot to add 8% simple interest to the amount of the cheque, in line with the above. Mr J should confirm whether he has been able to cash a replacement cheque, or whether this remains outstanding.*

*I'll look at anything else anyone wants to give me – so long as I get it before 15 December 2022. Unless that information changes my mind, my final decision is likely to be as I've set out above.*

**I invited both parties to let me have any further comments or evidence before the deadline.**

Cahoot said:

*"To bring the complaint to a resolution, we will agree the additional £500 compensation, to bring the total amount to £750 as £250 has already been paid at stage 1 and apply 8% to the amount of the cheque from the date Mr J first paid the cheque in to the date of the decision is accepted."*

Mr J sent me a detailed response about the impact of the error and his experience. He concluded by saying:

*"I believe the full extent of the impact this has had upon me still isn't being fully considered, I believe it inappropriate to describe it as just a difficulty communicating, when this doesn't come close to considering the wider Burnout effects of the abhorrent discrimination, disability abuse inflicted upon me by my own bank."*

Mr J didn't confirm whether he has been able to cash a replacement cheque, or whether this remains outstanding.

### **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.

Firstly, I should explain this service's role isn't to make a finding under disability legislation as that's a matter for the courts. Our role is to decide what should be done to put right any financial, or non-financial losses that a consumer has experienced where we think a business hasn't acted fairly and reasonably in the circumstances.

My provisional decision summarised Mr J's disability and the impact of Cahoot's error. I apologise for not adequately communicating Mr J's description of the impact Cahoot's actions had on his physical and neurological health and wellbeing. Also, Mr J's feeling that Cahoot removed communication access and dictated a communication style which targeted his disability.

So, when reviewing Mr J's complaint again, I further considered these points. Having done so, I'm still of the opinion that the impact on Mr J was severe and Cahoot didn't recognise his vulnerability. And, given Mr J's health, wellbeing and personal circumstances, I still think the compensation should be higher than the £250 which Cahoot offered.

However, when considering all of the above factors, including our role, I think the provisional decision compensation amount to be fair and reasonable for this complaint.

### **Putting things right**

As a result, I'm still asking Cahoot to pay £500 compensation to Mr J, which due to them having already paid £250, brings the total amount to £750.

Also, Santander UK Plc (trading as Cahoot) should add 8% simple interest to the amount of the cheque. I don't know whether Mr J has now been able to replace and cash this cheque, in which case this amount would be payable from the date he first paid in the cheque to the date he successfully cashed it. Or if he hasn't yet done that, I think it'd be fair for the 8% to be payable from the date Mr J first tried to pay the cheque to his account – until the date any final decision is accepted.

### **My final decision**

My final decision is that I uphold this complaint.

I require Santander UK Plc (trading as Cahoot) to pay £500 compensation to Mr J, which due to them having already paid £250, brings the total amount to £750.

Also, Santander UK Plc (trading as Cahoot) should add 8% simple interest to the amount of the cheque. This amount would be payable from the date Mr J first paid in the cheque to the date he successfully cashed it. Or if he hasn't yet done that, from the date Mr J first tried to pay the cheque to his account – until the date any final decision is accepted.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 1 February 2023.

Paul Douglas  
**Ombudsman**