

The complaint

Mr P complains that Santander UK plc (Santander) didn't immediately reduce his monthly payments after he made a part settlement payment leading to additional interest being charged. And of delays in dealing with his complaint. He would like more compensation than Santander has offered.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here instead I will focus on giving the reasons for my 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.

My final decision

Having done so I have reached the following conclusions:-

- Santander has accepted it didn't action the part settlement of Mr P's loan as soon as it should have. As compensation for this, and for its lack of contact throughout the complaint process it has offered £160 compensation. It has also refunded interest of £181.52.. Mr P isn't happy with the level of compensation, he feels he deserves more.
- It seems to me that in making the interest rebate Santander has put Mr P back in the position he would have been in if the part settlement had been processed as it should have been. This is what we aim to do when we uphold complaints. So, I think Santander's actions were appropriate in this respect.
- In terms of the £160 Santander has offered for not actioning the partial settlement as soon as it should have and for the delay in dealing with Mr P's complaint I think this is a reasonable figure. I don't doubt Mr P experienced some distress and inconvenience because of Santander's actions. But he hasn't given us any specific reasons that I feel would justify a higher level of compensation.
- Finally, I appreciate Mr P isn't happy about the overall level of interest charged on the loan. But he has been correctly advised that, as this didn't form part of his original complaint to us, if he wishes to take this further he should raise this direct with Santander in the first instance.

My final decision is that Santander has made a fair offer.

In full and final settlement Santander UK plc should, if it has not already done so, pay Mr P £160 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 February 2023.

Bridget Makins
Ombudsman