

## **The complaint**

Miss A complains, in her capacity as trustee of a trust (T), about the way Santander UK Plc (trading as Cater Allen Private Bank) handled her request to open a new account for the trust.

## **What happened**

Miss A told us:

- When she initially enquired about opening a trust bank account, Santander told her *“we offer bank accounts for Trusts, and although our literature mentions that you can apply via an Intermediary, this is not a requirement for Trusts. You are able to submit the application directly via the post”*. She understood this to mean that all applications were considered equally, no matter where they came from.
- She made a direct application for a trust account. To do so, she spent time and money in arranging for certified copies of documents (as required by Santander's process).
- Her application was later rejected, and she believes that is because the bank has stricter criteria for direct applications.
- Santander gave her a telephone number to call if any of the trustees needed help – but when they called the number, they were told their request couldn't be dealt with over the phone.
- Santander did not initially return the certified copies of identity documents at all, and then it returned her documents to her but did not send her the other trustee's documents. The bank did return the trust deed, but it was irreparably damaged; it had been folded into a small envelope, hole punched, and then one of the holes was ripped. The trust deed had cost £480 and significant time and energy to obtain.
- She was able to open an account with other bank, which did not require certified copies of documents.
- If she had known that she was on an *“uneven playing field”*, and that Santander treated applications made through intermediaries more favourably, it is unlikely that she would have made the application at all – because she needed the account to be opened quickly. She considers that she was misled into wasting her time, energy and money in order to cater to Santander's application process.
- To resolve her complaint, she would like Santander to pay compensation, apologise, and train its staff to advise people there are stricter standards for a direct application.

Santander told us:

- It is very sorry for the damage caused to the trust deed, and for the fact that certified copies of Miss A's identity documentation were not returned to her on time.
- It will only return certified identification documents to the document holder's home address.
- It is not required to provide Miss A with any feedback as to why it declined her application. It assesses all applications against specific criteria, which Miss A's application did not meet.
- It accepts that Miss A was referred to the bank by her solicitor, but it does not have a formal relationship with that firm – so it assessed her application as a direct case.
- It has previously offered to pay Miss A £75 to apologise for its service failings.
- If Miss A has been required to obtain a copy of her trust deed due to damage that it caused, then it will consider paying for the replacement if Miss A provides evidence.

One of our investigators looked at the complaint, but he thought Santander had already done enough to put the matter right.

Miss A did not accept our investigator's conclusions. She said her application should have been treated equally with one that came through an intermediary, and that the effect of Santander's misleading email had been to disadvantage her and damage her health. She also said Santander had not previously told her that it was willing to consider the cost of replacing the trust deed.

### **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'm sorry to further disappoint Miss A, but there is very little I can add to what our investigator has already said.

It is unfortunate that Miss A's application was rejected after the time and effort she put into making it, but I don't think Santander misled Miss A about its requirements. It said she could apply directly or through an intermediary, and that was true. It didn't advise her to apply in one way or the other; it simply said applications could be made in either way.

Santander isn't required to publish the criteria it assesses applications against. I can't see that it ever promised Miss A that it would open an account – only that it would consider an application should she choose to make one. It has said that it was unable to fully assess Ms A's application until it had received all the documents it had asked for, and I think that is a reasonable position for it to take.

I accept that different banks use different criteria, and that not all banks require certified copies of identity documents, but I see nothing unfair about Santander's process. Overall, I don't think Santander did anything wrong in choosing not to open a bank account for the trust. That means I will not require Santander to reimburse any costs the trustees incurred in

making the application, nor will I require it to make any payment in respect of the inconvenience they suffered.

However, Santander did make errors in the way it handled Miss A's (and her fellow trustee's) documents, and it wrongly told one of the trustees to put a query in writing when it should have been able to deal with the matter over the phone.

Santander has not been able to explain how the trust deed came to be damaged, but it does accept that the damage occurred whilst the deed was in its possession. That should not have happened, and I think it is right that Santander apologised.

I can see that Santander offered to consider a claim for the costs of replacing the trust deed, but only if Miss A is able to provide evidence that she was required to replace the deed as a result of the damage the bank caused. I think it would have been helpful if Santander had made that offer earlier. However, I don't think the delay in making the offer made a material difference in this case, because trust deeds are not automatically invalidated by damage. So long as the wording on the document remains legible, even quite extensive damage – like stains or tears – will not necessarily prevent a third party from accepting the document as evidence of the existence of the trust.

Here, it appears that Santander made holes in Miss A's trust deed and then stuffed it into an envelope that was too small for it. I can understand why she would be distressed by what appears to be cavalier treatment of a document that was very important to her. But I haven't seen any evidence that she was required to replace the trust deed, and so I'm not persuaded that Santander's treatment of the trust deed caused her to suffer a financial loss.

I think there was also some confusion between Santander and the trustees as to whether, and how, it would return the certified copies of their identity documents. That confusion and the resulting delay is regrettable, but again I can't see that it caused either of the trustees to suffer financial loss.

### **Putting things right**

Taking all the evidence into account, I think the offer Santander has already made is fair and reasonable in the circumstances of this complaint. I acknowledge that Miss A strongly disagrees, particularly in light of her health conditions, but the award I am making here is only to compensate the trustees for Santander's errors.

I don't think Santander made an error in rejecting the application, so it wouldn't be right for me to make an award for the inconvenience of making the application itself, nor for the distress the trustees suffered when the application was rejected.

### **My final decision**

My final decision is that Santander UK Plc (trading as Cater Allen Private Bank) should pay the trustees of T £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 7 March 2023.

Laura Colman  
**Ombudsman**