

The complaint

Mr M, a sole trader, is unhappy with several aspects of the service he received from Santander UK Plc regarding a Bounce Back Loan (“BBL”).

What happened

Mr M successfully applied to Santander for a £50,000 BBL. However, when Santander reviewed Mr M’s account, they couldn’t find evidence of the business turnover required to support a £50,000 BBL. So, they instructed Mr M to repay £42,000 of the loan which would leave him with a BBL for £8,000 – which was supported by the level of business turnover Santander had been able to evidence.

Mr M visited a Santander branch and made a cash deposit of £50,000 into his business account, incurring a £470 charge for doing so, in line with the terms of that account. Mr M wasn’t happy about this charge and felt that had he been told about the charge he would have paid the money into his personal account – which wouldn’t have incurred a charge – and then transferred the money to his business account.

Mr M was also unhappy that with several other aspects of the service he’d received from Santander, including that Santander had given him incorrect advice about the Pay As You Grow (“PAYG”) payment deferment options that were available to him and that Santander had humiliated him by escorting him out of branch for what Mr M felt Santander were incorrectly describing as abusive behaviour toward their staff. So, he raised a complaint.

Santander responded to Mr M and confirmed that they didn’t feel they’d acted unfairly in charging the £470 in line with the terms of Mr M’s business account or in removing Mr M from branch in response to his behaviour. Santander also noted that they provide a non-advice service and so didn’t accept that they’d given any formal advice to Mr M about the PAYG options available to him.

However, Santander did accept that Mr M hadn’t received the standard of service he should have received when speaking with the bank about his concerns on two occasions. Specifically, when a phone call had been unnecessarily discontinued and again when a call back that had been promised to Mr M hadn’t been made. Santander apologised to Mr M for these instances and made payments to him totalling £125 in compensation of any upset or inconvenience he may have incurred as a result. Mr M wasn’t satisfied with Santander’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint and liaised with both Mr M and Santander about it. During their review, Santander offered to reimburse to Mr M the £470 charge incurred because he’d made a cash payment of £50,000 into his business account.

Our investigator felt that Santander’s offer was a fair resolution to that aspect of Mr M’s complaint. And they also felt the apology and compensation payments totalling £125 paid to Mr M for the telephone service issues already represented a fair outcome to that aspect of Mr M’s complaint. Finally, our investigator didn’t feel that Santander had acted unfairly towards Mr M regarding the other aspects of his complaint.

Our investigator therefore felt that this complaint should be upheld in Mr M's favour on the basis that Santander should reimburse the £470 charge to Mr M as they'd offered to. Mr M remained dissatisfied, so the matter was escalated to an ombudsman for 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Santander have acted in a non-regulatory or unlawful way.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.

I also note that Mr M has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr M for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in-line with this service's role as an informal dispute resolution service.

This means that if Mr M notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr M and Santander. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Mr M has raised several points of complaint against Santander. For ease of reference, I will address each point in turn.

£470 charge for depositing £50,000 into a business account.

Santander instructed Mr M to return £42,000 of the £50,000 BBL funds he had initially applied for because they had only been able to find evidence of business turnover for Mr M that qualified him for a BBL of £8,000. There were various options available to Mr M to return this money to Santander. But Mr M chose to return the money via cash deposit into his business account, which, as per the terms of that business account, incurred a £470 charge.

The application of this charge by Santander doesn't seem unreasonable to me, and I feel that it's for Mr M, as the account holder, to understand the terms of his business account, including any charges that may apply.

I'm aware that Mr M feels the cashier to whom he paid the money should have suggested that he could return the money to his BBL via an alternative channel which didn't incur a charge. But as explained above, I feel it's for Mr M to have understood the terms of his accounts. And I don't feel that Santander's cashier acted unfairly by processing Mr M's given instruction to them.

However, while I don't feel that Santander have acted unfairly in this regard, they have offered to reimburse the £470 charge to Mr M. This seems like a fair resolution to me. And so, while I will be upholding this complaint on this basis – to formalise the offer that Santander have made here – I won't be instructing Santander to do anything beyond this.

Incorrect advice given by Santander about PAYG options.

Mr M feels that Santander gave him incorrect advice about the PAYG options that were available to him. Specifically, Mr M states that a member of Santander's staff informed him that the capital and interest payment deferment option was only available to businesses in financial difficulty – which his was considered not to be at that time.

Santander don't agree that Mr M was given any advice by any of their staff members and note that they operate a non-advice service whereby no formal advice is provided in regard to any product sales, including PAYG options available on a BBL. Instead, Santander maintain that Mr M would have been directed to the online portal where information about the various PAYG options available to him could be found, so that Mr M could then make an informed decision as to which option he wanted to take.

Where the testimonies of a complainant and a respondent business differ, as is the case here, I must decide – if I feel it's reasonably possible to do so – which of the two versions of events I feel is most plausible, on balance, and in consideration of all the information and evidence available to me.

In this instance, I find the version of events put forwards by Santander to be the more plausible. This is because Santander don't offer formal advice on which PAYG options a business should take, and because Mr M did apply for the interest only deferment option via the online portal – which doesn't include any information which would suggest that capital and repayment PAYG option might have been unavailable to Mr M. Accordingly, I do not uphold this aspect of Mr M's complaint.

Mr M being escorted from Santander branch for abusive behaviour.

Santander and Mr M have provided very different versions of what took place in branch immediately before Mr M was escorted from branch by Santander staff. Like the preceding section, I'm unable to confirm what did or didn't happen at that time. So again, I have to decide which version of events I feel is most plausible.

Banks such as Santander don't generally escort account holders from branch unless their staff feel threatened or abused in some way. And I don't feel that it would be reasonable for me, given the circumstances here, to declare that Santander have acted unfairly by choosing to escort Mr M from branch with the well-being of their branch staff in mind.

This isn't to say that Mr M did use threatening and abusive language to Santander's staff as Santander maintain. But it is to say that I find Santander's version of events to be more plausible than Mr M's version in this specific instance. And I can confirm that I hold this position even in consideration of a recently provided witness statement from a friend of Mr M. As such, I won't be upholding this aspect of Mr M's complaint.

Santander unwilling to provide Mr M with an appointment to discuss his BBL.

Mr M is unhappy that, before he was escorted out of branch, Santander wouldn't allow him to book an appointment to discuss his BBL with them. But Santander have explained that this was because there weren't any appointment slots available at that time.

This doesn't seem unreasonable to me, especially given this event took place in April 2021, at which time restrictions were in place because of Covid-19 which limited the number of customers a bank was permitted to allow in branch at any time – and therefore the in-branch services they could offer. I therefore won't be upholding this aspect of Mr M's complaint.

Telephone service issues

Mr M is unhappy with several aspects of the service he received from Santander when he telephoned them to try to resolve his complaints, including that he spent many hours on the telephone without a satisfactory resolution.

I can appreciate how Mr M may have been frustrated in this regard. But ultimately, I don't feel that Santander have done much wrong here. And so, while Mr M may be upset at the time he spent on the telephone in complaint about the charge he incurred and the poor advice he felt he was given, I don't feel that his expectations in regard to those aspects of his complaint were reasonable. And so, I feel it stands to reason that a resolution which would be satisfactory to Mr M wouldn't be forthcoming.

Santander did accept that there were two instances when Mr M hadn't been provided the standard of service that he was entitled to expect, and they apologised to Mr M for these instances and made compensation payments totalling £125 to him. This seems fair to me, and as such I feel that Mr M has already received fair compensation from Santander for those specific events.

All of which means that, as explained above, while I will be upholding this complaint in Mr M's favour, I'll only be doing so on a limited basis to formally instruct Santander to reimburse the £470 charge to Mr M that that they've already offered to reimburse. And I won't be instructing Santander to take any further action beyond this.

I realise this might not be the outcome Mr M was wanting, but I trust he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Santander must reimburse the £470 charge to Mr M.

My final decision

My final decision is that I uphold this complaint against Santander UK Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 June 2023.

Paul Cooper

Ombudsman