

The complaint

Ms R and Mr T complain that Santander UK Plc made errors when it added Ms R to Mr T's account that resulted in fraudulent activity on the joint account. Ms R and Mr T are unhappy with the redress offered by Santander UK Plc.

What happened

Ms R and Mr T visited a local Santander branch in early March 2022 to convert Mr T's existing account into a joint account with Ms R. Santander sent out a new debit card and personal identification number (PIN) to Ms R to an incorrect address. Shortly after this, several attempts were made to pay for goods and services using the card. These were blocked by Santander, but £120 was withdrawn from a cashpoint. When they became aware that the debit card was being used, Ms R and Mr T complained to Santander. Santander responded to the complaint and apologised that a bank error meant that the debit card and PIN had been sent to an incorrect address. Santander confirmed it had changed the addresses for Ms R and Mr T and that it had issued a new card and PIN to Ms R – which had been since received. Santander offered to pay £500 for the distress and inconvenience the errors had caused and a further £50 to cover the cost of Ms R and Mr T registering with the Credit Industry Fraud Avoidance System ('Cifas') for two-years.

Ms R and Mr T didn't feel that the redress offered was fair and reasonable and, through a representative, brought their complaint to the Financial Ombudsman Service. One of our Investigators looked into things and thought that the offer made by Santander was a fair and reasonable one. Ms R and Mr T asked that an Ombudsman decides the complaint as they felt the redress offered was unreasonable and didn't reflect outcomes in similar cases decided by a court.

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.

There's no dispute Santander made errors when recording the address for Ms R and Mr T, and this resulted in the debit card issued to Ms R being used fraudulently. So, I intend focussing my final decision on whether the redress offered by Santander to Ms R and Mr T is fair and reasonable as this is now the crux of the complaint brought to the Financial Ombudsman Service. I understand that Ms R and Mr T will be disappointed, but I've decided that the offer Santander made to resolve the complaint is a fair and reasonable one in all the circumstances of this complaint. I will now explain why.

The final response to the complaint was addressed to Ms R only. I appreciate that the representative acting for Ms R and Mr T feels this response only dealt with Ms R's complaint, but I don't think it's reasonable to conclude this. The complaint was made by Ms R who is a joint account holder with Mr T, and I think it clearly explains the actions Santander would take to resolve the complaints raised, included several references to Mr T and provided an apology that I consider was reasonably intended for Ms R and Mr T.

I've not seen any evidence to persuade me anything other than the debit card and PIN for Ms R were sent to the wrong address. I'm satisfied that this alone would have caused Ms R and Mr T some distress and inconvenience and it would have come as a shock at the time – not least because the card provided some of Ms R personal data and some other account information could have been accessed when the card was used at a cashpoint. Regardless of this I'm satisfied that Santander dealt with this as a potential data breach for both Ms R and Mr T. This is clearly explained in Santander's final response and it's what I would have expected Santander to do.

When Mr T became aware of fraudulent activity on the account, he made Santander aware. Mr T says he spoke with the fraud team who highlighted that the fraudulent activity was on the card issued to Ms R. It's doesn't seem unreasonable to me that a bank investigating a potential fraud would ask questions about who had used the card, but in this case, Santander were quickly satisfied Ms R hadn't used the card and re-imbursed the next day the £120 withdrawn from a cashpoint.

Santander said it would pay Ms R and Mr T £25 to register with Cifas which is a member-based fraud prevention agency with a large database. The database records information to protect financial businesses and their customers against fraud. Individual consumers can approach Cifas directly, for services such as a "protective registration" if they feel they're at risk of identity fraud. In the circumstances of this complaint, I think it was reasonable for Santander to offer to pay for this.

I've noted the information the representative provided about other court cases, but the Financial Ombudsman Service makes decisions based on the circumstances of each complaint. So, in all the circumstances of this complaint I've decided that the offer Santander made to Ms R and Mr T was a fair and reasonable one. Santander made several errors regarding the addresses for Ms R and Mr T, but when it became aware of the errors it quickly took steps to change the addresses, promptly refunded the £120 that had been debited from the joint account and provided feedback to the staff involved. In my opinion, there was a relatively short- period when Ms R and Mr T would have been worried about the account and then inconvenienced until a new debit card had been received. Therefore, I'm satisfied that Santander's offer to pay them £500 for the distress and inconvenience was a fair and reasonable one.

I appreciate that Ms R and Mr T may have lost some confidence in Santander and can understand they would be worried about future fraudulent activity. However, in my opinion, Santander's offer to pay each of them £25 for a two-year protective registration with Cifas was also a fair and reasonable way to mitigate any further stress about future incidents related to this matter.

My final decision

Santander UK Plc has already made an offer to pay £550 to settle the complaint and I think this offer is fair in all the circumstances. So, my decision is that Santander UK Plc should pay Ms R and Mr T £500 for distress and inconvenience and £50 for the to apply for protective registration with Cifas.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R and Mr T to accept or reject my decision before 27 April 2023.

Paul Lawton
Ombudsman