

The complaint

Mrs T is unhappy that a monthly subscription payment to an online merchant keeps being declined by Santander UK Plc.

What happened

Mrs T first raised her concerns about the repeated declining of the monthly subscription payment in September 2021, but the issue continued to occur, which ultimately led to the issue being considered by this service in July 2022. At that time, it was understood that the issue had been resolved by Santander who had removed the blocks on Mrs T's account that were causing the subscription payment to be declined and who had paid Mrs T compensation totalling £175 for the trouble and upset she'd incurred up to that time.

However, the declining of the monthly subscription payment by Santander continued to occur, which led to Mrs T raising a new complaint which was reviewed by Santander and then referred to this service by Mrs T.

One of our investigators looked at this new complaint. They felt Santander's system notes confirmed that not all blocks had been removed when Mrs T's first complaint had been resolved, as they reasonably should have been, and noted that several blocks associated with the online merchant in question remained on Mrs T's account.

Because of this our investigator felt that Santander should contact Mrs T to discuss the remained blocks on her account and should also pay further compensation totalling £125 to Mrs T for the ongoing frustration she'd incurred. Mrs T didn't agree with the view of this complaint put forwards by our investigator, 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.

I issued a provisional decision on this complaint on 16 February 2023 as follows:

I can understand how the continuing declining of the monthly subscription payment by Santander – which led to repeated suspensions of Mrs T's account by the online merchant involved – would have been both inconvenient and frustrating for Mrs T.

In their response to Mrs T's present complaint, Santander acknowledged that their systems should have recognised that the recurring monthly subscription payment to the online merchant was a legitimate payment that shouldn't be declined. It's disappointing that this wasn't the case. And it's also disappointing, given that this complaint is a continuation of a prior complaint that had already been reviewed by this service, that Mrs T continued to experience the issues she did and that it appears that not all the blocks were removed from Mrs T's account following the resolution of the prior complaint as should have been the case.

And, given that this is a continuing complaint, I don't feel that the recommendation made by our investigator that Santander should pay a further £125 compensation payment to Mrs T goes far enough to account for the significant and ongoing frustration I'm satisfied that this unresolved matter has caused, and as Mrs T has herself explained.

Accordingly, my provisional instruction here is that Santander must do all that they can to ensure that all blocks relating to this issue are removed from Mrs T's account and must make a further compensation payment, so that the total additional compensation payable to Mrs T for this present complaint is £500. This £500 is in addition to the £175 paid to Mrs T for her prior complaint.

In arriving at this increased compensation amount, I've considered the unreasonable length of time that this complaint has been ongoing, including that Santander have failed to resolve the issue despite it being previously referred to this service.

It's my understanding that Mrs T has recently contacted Santander herself and she reports that all the blocks on her account have been removed. But I would strongly encourage Santander to verify that this is indeed the case and to contact Mrs T directly if any further issues are discovered, as it's hoped this will mitigate against the possibility that this unfortunately repeated complaint will be seen by this service for a third time.

Santander responded to my provisional decision and confirmed that they were happy to accept it. Santander also confirmed that Mrs T had not yet received the £175 they had previously offered to her, and that as such they were happy to make payments of £175 and £500 to Mrs T – totalling £675.

Mrs T didn't respond to my provisional decision. As such, having received no objection to my provisional decision, I see no reason not to issue a final decision upholding this complaint in Mrs T's favour on the basis outlined above. And I confirm that I do uphold this complaint on that basis accordingly.

Putting things right

Santander must make payments totalling £675 to Mrs T.

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 Mrs T to accept or reject my decision before 17 April 2023.

Paul Cooper
Ombudsman