

The complaint

Mrs C complains about service received from Santander UK Plc (Santander) concerning an international payment.

What happened

On 26 October 2022, a company in Bahrain sent a payment of BD7,000 (£15,651) to Mrs C's personal account at Santander. It was held for regulatory checks but was then returned to the sender on 11 November 2022. Santander had tried to contact Mrs C on 8 November 2022, 9 November 2022, and 10 November 2022.

Mrs C complained. She said she had contacted Santander several times and got mixed messages about what had happened to the payment. She had to spend more than three hours on the phone to Santander – from an international number. And had to cancel a number of business meetings as a result. She said this had cost her loss of earnings of £520; cost of calls £450; and bank charges £1,000 – a total of £1,970. She said Santander should have to pay a significant amount of compensation to teach them a lesson for the poor service she had received.

On 16 November 2022, Santander sent their first final response. It said the payment had been held for regulatory checks. The letter said that when Mrs C called Santander on 11 November, she was told the payment was to be released to her account – but they couldn't say when that would be.

On 24 November 2022, Santander sent a second final response which said the payment had been rejected and returned to the sender – on 11 November 2022. They apologised that Mrs C had previously been told that the payment would be credited to her account. Santander paid two amounts of compensation - £50 and £75.

Mrs C brought her complaint to us. Our investigator said Santander could carry out security checks on inward payments. Therefore, he didn't agree that bank charges or an exchange loss should be covered. But he could see that Santander should've told Mrs C on 11 November 2022 that the payment had been returned. And then gave Mrs C inaccurate information on 16 November 2022. So – communications with Mrs C were poor. He considered that Santander should pay another £75 (total £200) for what happened.

Santander agreed, but Mrs C didn't. She said Santander should be punished and the offered compensation was paltry compared to the time she had spent on the matter and for the distress caused. She asked that an ombudsman look at her complaint – and so it has come to me to make 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.

At the outset, let me say that Santander were entitled to hold the payment to make security

checks – that is part of their regulatory responsibilities – and return it if they couldn't be satisfied with the answers given, or couldn't get any answers.

Let me also say – we are an informal dispute resolution service which seeks to come to fair decisions where there is a complaint from a consumer about a financial business. We don't take sides. And I've looked at all the evidence here in coming to a decision. We don't exist to 'punish' firms - we are not the regulator of Santander – that's the role of the FCA.

Therefore – I don't question the right of Santander to hold the payment for security checks or return it when they did. But the crux of this complaint is about the communications with Mrs C throughout the process of what happened.

I can appreciate how frustrating this experience was for Mrs C. I can see that initially, Santander asked some security questions of Mrs C – which were sent back to her through the correspondent bank dealing with the payment. But this didn't come to anything in terms of a resolution.

And then – on 8 November 2022, 9 November 2022 and 10 November 2022, Santander tried to call or text Mrs C and asked her to get in touch about the payment, but without immediate success. Then, after Mrs C called on 11 November 2022 – she was told the payment would be released into her account. And that was confirmed to her in Santander's first final response on 16 November 2022. But unfortunately, that response was wrong – and in fact, the payment had been sent back to the sender on 11 November 2022. Santander apologised in their second final response on 24 November 2022.

It isn't clear to me what happened between 11 November 2022 and 24 November 2022 – for example, I haven't seen a letter or email advising Mrs C the payment had been returned. Santander haven't provided recordings of the calls with Mrs C during that period either.

Without evidence to the contrary – and given the mistakes made by Santander in the first response, I'm persuaded that there was further misinformation given to Mrs C in calls between 11 November 2022 and 24 November 2022 – and this must have been very frustrating for her. Mrs C has provided a record of calls made during that period and I agree they add up to more than three hours – although she has told us they were internet calls and didn't cost anything – but it took up her time. She also argues she had to cancel several customer appointments at a cost of £520. She has also told us that there were bank charges to pay for the returned payment – but not an exchange loss.

So – this comes down to what is a reasonable amount of compensation to pay to Mrs C. I discount bank charges - as Santander were entitled to return the payment to the sender. And Mrs C has told us there weren't actually any call charges to pay – so I discount those also.

I considered Mrs C's loss of earnings she has put to us - £520. But I'm afraid to say that as a principle, our service doesn't ask a firm to pay loss of earnings – and I think it's also reasonable for me to say that Mrs C took the decision to cancel the appointments she made to call Santander – I haven't seen evidence that suggests there was a call back arranged at a specific time. So – I discount that also.

So – this comes down to the amount of compensation that is reasonable for the distress and inconvenience suffered by Mrs C. Our service has set out some criteria by which we decide such awards. These are shown at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

These say - an award up to £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. I think that what happened to Mrs C fits this description and I'm persuaded that the amount of £200 (to include what Santander have already paid) is fair and reasonable. Therefore, I agree that a further £75 should be paid to Mrs C. I can see that Mrs C will be disappointed by this, but I hope she can appreciate the reasoning behind my decision here.

My final decision

I uphold this complaint. Santander UK Plc must:

- Pay compensation of £75 for distress and inconvenience. This is in addition to the £125 already paid by Santander.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 20 July 2023.

Martin Lord
Ombudsman