

## **The complaint**

Mrs M and Mr T complain that Santander UK Plc and the solicitor it appointed made errors which meant their purchase fell through. They had to live in temporary accommodation for several months and incurred additional costs of about £9,000, including for insurance and travel, while they found and completed the purchase of another property. They ask that Santander compensates them in full. Mrs M has dealt with the complaint.

## **What happened**

Mrs M and Mr T applied for a mortgage with Santander. They say the problems started in June 2022. Santander changed solicitors just before they were due to exchange contracts. This caused delays that meant the purchase fell through. Their sale had already completed, meaning they were in temporary accommodation until they found and completed the purchase of another property.

Santander agreed it made an error. Mrs M and Mr T had asked for dual representation (they would have solicitors as well as Santander) in early 2022. Santander hadn't acted on this until June 2022. Santander paid £650 for the upset caused. After reviewing the information provided by Mrs M and Mr T, Santander paid £4,000 for their financial loss. Mrs M and Mr T ask that it compensates them for further costs.

Our investigator said Santander had taken a fair and reasonable approach when deciding which costs it would re-imburse, and its offer was fair.

Mrs M didn't agree. She said these costs were incurred due to having to live in temporary accommodation, which was the direct result of Santander's error.

## **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.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mrs M and Mr T had sold their property and moved into temporarily accommodation owned by friends until their purchase completed. Exchange of contracts was delayed to mid-June 2022 at which point Santander changed solicitors. Mrs M says the new solicitors appointed by Santander caused further delays. A final deadline from the vendor (a property developer) was missed and their purchase fell through.

Mrs M and Mr T found another property to buy. But they had to stay in temporary accommodation for longer. They moved to a static caravan until their purchase completed on 30 September 2022. Mrs M and Mr T say they incurred financial losses as a result.

Santander has already re-imbursed Mrs M and Mr T for storage costs and related insurance,

additional legal fees and the amount they lost in deposits to the developer.

Mrs M says they had additional transport costs as they had to drive further to get to work and for Mrs M's hospital appointments. She says their car insurance was higher while living in a different area and she had to pay for care for their dog after she had an operation. She has also asked Santander to re-imburse the costs of post re-direction and increased energy costs as they missed the chance to fix an energy contract before prices increased.

Santander doesn't dispute that it made errors. What I need to decide is whether it did enough to put matters right. Where a business makes an error, we'd usually ask it to put the customer into the position they'd have been in, but for the error, so far as this is possible. I need to consider whether these costs were a reasonably foreseeable and direct result of Santander's error such that it's fair to require it to re-imburse them. And whether there are other matters I should take into account – such as Mrs M and Mr T not having to make mortgage payments over this period.

I asked our investigator to write to Mrs M and Mr T on my behalf, setting out what I thought about the compensation. Santander responded. Mrs M and Mr T didn't respond. I've thought carefully about this matter and would make the following points.

Mrs M and Mr T are Santander's customers. Although their son usually lives with them, he isn't Santander's customer. We can't usually award compensation for inconvenience to a third party or for their financial loss.

While Mrs M and Mr T chose where they lived temporarily, their choice was limited. They had to find somewhere at short notice that would allow a dog. Mrs M said they'd looked for a rental property without success and would have had to pay a minimum of six-months rent. It seems Mrs M and Mr T didn't have to pay rent while living in the static caravan, but did have additional travel costs and travel time. From what Mrs M said, I'd estimate the additional petrol costs as about £400 in total.

I asked Santander if it would agree to compensate Mrs M and Mr T for their additional travel and car insurance costs on the basis they incurred these costs instead of rent. It said it didn't have evidence of these costs, such as receipts and evidence of what the costs would have been had the mortgage completed sooner. And it thought these costs would be less than the amount Mrs M and Mr T saved by not paying a mortgage.

I understand why Mrs M says the additional costs of pet care are a result of Santander's error. But I think there are some issues with this being a foreseeable cost which resulted directly from Santander's error. The additional costs related to the dog came about due to a combination of Mrs M having an operation, the type of accommodation they were in and not being near to family/friends.

I think there are similar issues with the energy costs, as well as difficulty in determining the amount of the loss. Mrs M and Mr T will have made some choices about the type and term of any contract.

I think having to pay for post re-direction for an additional period was a foreseeable consequence of the delay in Mrs M and Mr T's purchase completing.

I think it would be fair to offset any compensation for further costs against any savings made by Mrs M and Mr T over the same period. For instance, once Mrs M and Mr T's mortgage completed, they paid mortgage interest of about £280 each month. Most likely other costs (e.g. council tax/utilities/house insurance) were lower, or were amounts they'd have paid anyway for the caravan. It's not clear whether or not the losses Mrs M and Mr T claim from

Santander would exceed the saved costs.

Before requiring Santander to pay further compensation, I'd need evidence of Mrs M and Mr T's actual losses and of the costs saved. This could take Mrs M and Mr T some time to put together. When the investigator wrote to Mrs M and Mr T on my behalf, I asked them to consider whether their losses exceeded the costs they saved over this period before they spent time gathering and providing further evidence. Mrs M and Mr T didn't respond. Perhaps they didn't think their losses would exceed the costs saved – or not by enough to warrant the time needed to provide supporting evidence. But whatever the reason, I don't have evidence of Mrs M and Mr T's losses and costs saved.

In the circumstances, I don't think it's fair and reasonable to require Santander to pay further compensation to Mrs M and Mr T for any financial loss resulting from its error. Having their first property purchase fall through must have been upsetting, and Mrs M and Mr T then had the inconvenience of staying in temporary accommodation for longer than they'd planned. I think Santander's payment of £650 for this is fair and reasonable in the circumstances.

### **My final decision**

My decision is that I do not uphold this complaint. That's because I think the compensation paid by Santander UK Plc was fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr T to accept or reject my decision before 16 February 2024.

Ruth Stevenson  
**Ombudsman**