

The complaint

Mr T trading as T complains about the service he received from Santander UK Plc when trying to close his bank account.

What happened

Mr T asked Santander to close his business bank account on 20 July 2023. Mr T understood that this would also involve transferring funds and any direct debits. However, Santander later advised that unless there was an account switch, Mr T would have to manually transfer any direct debits to the new account.

Mr T contacted Santander on 28 July 2023 as the money had not been transferred. Santander transferred funds the same day. Mr T says the delay left him unable to invest money in a bond.

Mr T wants Santander to pay more than the £400 compensation it has offered or paid so far.

Our investigator didn't uphold Mr T's complaint. She explained that it was not our role to punish Santander for its mistakes. Our investigator thought that £400 fairly recognised the distress and inconvenience suffered by Mr T when he had to spend time with Santander trying to resolve the problem. She thought that the payment also fairly included the loss of interest.

Mr T is unhappy with the investigation outcome. He says that he contacted the Financial Ombudsman because he was ill and realised how difficult these kinds of situations can be on the more vulnerable in society. Mr T thinks Santander's treatment of him was psychologically damaging when it kept him waiting on the phone and did not give straight answers to his questions.

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 realise that I have summarised this complaint in my own words. The rules that govern the Financial Ombudsman allow me to take this approach. But this does not mean that I have not considered everything that both parties have given to me.

I appreciate Mr T's frustration with the situation and his desire to stand up for others less able to do so. But as our investigator explained – the Financial Ombudsman does not regulate, supervise, or discipline the businesses we cover. It would be for the regulator – the Financial Conduct Authority – to make decisions about the way in which businesses work.

When a business makes mistakes – as Santander agrees it did here – my aim is to put Mr T back in the position he would have been in if the mistakes had not happened. And I can award compensation if I think it is fair.

In Mr T's case, Santander calculated the interest lost due to the delay investing the funds he

expected to receive and rounded this up to £250. Santander has already paid £250 to Mr T. So, I am satisfied that Santander has put Mr T back in the financial position he would have been had the delay not happened.

This leaves the question of whether Santander should do more to reflect the upset and inconvenience caused. Mr T lost out on around £238 in interest due to the delay. So, by offering to pay £400 in total, Santander has effectively offered Mr T £162 in recognition of the upset and inconvenience the delays have caused.

I don't want to downplay the upset caused at a time when Mr T was closing his business and was also feeling unwell but I don't consider an increased award is justified. I think Santander's offer recognises the inconvenience caused when Mr T had to spend more time chasing Santander than he otherwise should have. I am satisfied that Santander explained that Mr T would need to move any direct debits himself. So, although the further delays closing the account were inconvenient, I think Santander's offer of compensation goes far enough.

My final decision

I think Santander has already made an offer which is fair. So, my final decision is that if it has not already done so, Santander UK Plc should pay Mr T a total of £400. For the avoidance of doubt, this includes any compensation that Santander has already paid in respect of this complaint.

If Mr T has not cashed the cheque and requires a new one, he should let Santander know so it can reissue a cheque to him or make the payment by alternative means.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 March 2024.

Gemma Bowen
Ombudsman