

The complaint

P, a limited company, complains that Santander UK Plc acted unfairly when it asked P for some information and then went on to block P's account. P says the bank provided a poor level of service.

P is represented by one of its directors, who I'll call Mr M.

What happened

Around August 2022, Santander asked P for some information. Despite several attempts at contacting the bank, Mr M was unable to establish exactly what information Santander required. In November, given the information Santander requested hadn't been provided, the bank went on to block P's account.

After further attempts to clarify what the bank needed, Mr M eventually provided Santander with the information it requested and the block on his account was lifted at the end of December. However, the account closure process had already been triggered by this point, so Mr M was later incorrectly informed by letter that the account would be closing.

After Mr M complained, Santander paid him £250 compensation. The bank agreed that its communication had been poor and that its failings had led to the account block and the initiation of the process to close the account. Remaining unhappy, Mr M asked this service to independently review his complaint.

In its file submission to this service, Santander offered to pay Mr M an additional £100 compensation because of further communication failures it had identified. Our investigator upheld Mr M's complaint, agreeing that the additional £100 offered was reasonable. Following further discussions with the bank, our investigator pointed to some of the costs Mr M says he incurred because of what the bank did wrong. Since, Santander has agreed to pay Mr M a further £109.40 for the costs he says he incurred. Our investigator is of the opinion that this new offer is fair.

Mr M doesn't accept Santander's revised offer. He suggests the bank pay him around £750 for his costs. Because Mr M doesn't agree, the complaint has been passed to me to decide.

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.

Having done so, I'm of the opinion that the revised settlement fairly resolves this complaint. I understand Mr M wants a higher settlement figure, so I appreciate that he'll be disappointed to hear my decision – I'll explain my reasons.

Mr M points to the numerous attempts he made to contact Santander to clarify the information the bank required. He says he spent long periods on the phone and the support from Santander was limited – making it difficult for him to understand exactly what he

needed to do.

Santander accepts its communication failings and recognises that, had it done better, then it's likely the account block and decision to close the account wouldn't have occurred. The bank also acknowledges that it failed to notify Mr M that the block had been lifted after he had provided the required information. Santander also says it failed to keep its closure team updated and this is what led to Mr M incorrectly receiving a notice of closure.

Before our investigator issued her opinion, Santander had already paid Mr M £250 compensation and offered a further £100. Mr M says the bank's failings caused him the following losses:

- Santander account fees for the period he had no access to the account - £37.50
- Postage costs - £3.30
- A fee he was charged for an unsuccessful direct debit payment that failed because of the block - £23.60
- Costs incurred setting up a new account with another bank to facilitate urgent payments that had been delayed because of the block - £48.54. The account fee was £45 and Mr M says the remaining amount was for his costs
- Costs for time spent contacting Santander about this matter and dealing with related issues such as liaising with external parties and administrative tasks, calculated at hourly rates - £643.75

Given Mr M was able to evidence some of the costs, Santander agreed to pay him a further £109.40. This is inclusive of the bank account fees, the unpaid direct debit fee, postage costs and the fee Mr M paid to set up another account to facilitate urgent payments. Mr M was unable to evidence the £3.54 costs P reimbursed him for. The bank agreed to pay £109.40 in addition to the £350 compensation already put forward.

Our investigator concluded this to be fair, but Mr M doesn't accept this settlement. He says the amount doesn't fairly cover the costs he's put forward for the time spent dealing with this matter. I share the opinion that the current settlement offer is a fair way to settle this complaint.

My remit allows me to award compensation for the inconvenience caused to P either directly, or because Mr M, as P's director, spent time dealing with this matter instead of carrying out his activities as a director. It isn't this service's approach to calculate compensation at an hourly rate. Instead, I've considered the overall impact of the bank's failings to decide what I think is a fair settlement.

Given this, I haven't seen anything that persuades me that the current settlement isn't a fair way to resolve this complaint. So I'm satisfied that the revised offer from the bank fairly reimburses Mr M for the costs he's evidenced, as well as fairly compensating him for the overall inconvenience caused by Santander's failings.

It is for these reasons, I've decided that the current settlement offer is a fair way to resolve this complaint. So I won't be asking Santander to pay anything more.

Putting things right

Santander's failings caused Mr M on behalf of P unnecessary inconvenience. To put things right, the bank should:

- Pay P the additional £100 compensation it has offered
- Pay P £109.40 to reimburse it for the costs it incurred because of what Santander did

wrong

My final decision

I'm upholding this complaint. Should P accept, Santander UK Plc should settle this complaint in line with what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 30 April 2024.

Abdul Ali
Ombudsman