

## **The complaint**

Mr C complains that Santander UK Plc set up a business current account and business Bounce Back Loan in his name as a sole trader instead of in the name of his limited company.

## **What happened**

In February 2017 Mr C applied for a business current account with Santander. In his application, Mr C provided information about his business, including a declaration that said he was operating as a sole trader. The application was approved by Santander and the business current account was opened in Mr C's name as a sole trader.

In May 2017 a limited company I'll refer to as O was registered by Mr C with Companies House. Companies House confirms O was incorporated in May 2017.

Mr C's business current account continued to operate on a sole trader basis. In May 2020 Mr C applied for a business Bounce Bank Loan from Santander. The loan was approved by Santander and set up in Mr C's name as a sole trader.

Last year, Mr C complained to Santander and said both the business current account and Bounce Back Loan should've been set up under his limited company, not in his name. Santander issued a final response on 11 November 2023 but didn't uphold Mr C's complaint. Santander pointed out that when Mr C opened the business current account in February 2017 his limited company had yet to be incorporated. Santander also said that the business Bounce Back Loan was set up in line with the details it had for Mr C as a sole trader and that he'd confirmed the business details as part of the application process. Santander didn't uphold Mr C's complaint.

Mr C referred his complaint to this service and it was passed to an investigator. They didn't find evidence that showed Santander had made a mistake or treated Mr C unfairly. Mr C asked to appeal and said he wanted to see the information used to open his accounts with Santander, including the identification and certificate of incorporation used. Mr C said the application form he completed as a sole trader wasn't relevant once he provided information that showed he had registered a limited company. As Mr C asked to appeal, his complaint has been passed to me to make a 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.

Mr C explained that both the business current account and Bounce Back Loan should've been set up in his limited company's name. But I think Santander makes a fair point when it says that when Mr C completed the business current account application his limited company hadn't been set up yet. The application was completed in February 2017 and the limited company was incorporated in May 2017, three months later. So I'm satisfied that, at that point, Mr C wasn't operating as a limited company, he was operating as a sole trader.

The business current account application completed by Mr C also confirms he was operating as a sole trader at the point he opened it. So whilst I note Mr C's comments, I'm satisfied the business current account was correctly set up as a sole trader account in February 2017.

Santander has confirmed it has no records of Mr C advising it he'd subsequently set up a limited company or that he wanted to either convert the existing business current account or open a new business current account in the name of the limited company. Santander has no record of Mr C supplying letters of incorporation or a request to change the way his account was set up. I've reviewed Santander's systems notes and can see no reference to any contact from Mr C explaining he'd moved to operating as a limited company or evidence that indicates it was sent the letters of incorporation. As a result, I'm unable to agree Santander made a mistake or treated Mr C unfairly by continuing to administer his business current account as a sole trader.

Mr C applied for a business Bounce Back Loan in May 2020. Santander's provided a copy of the application information it used. The application information shows it was made on the basis Mr C was a sole trader. I haven't seen anything in the information provided that shows Mr C advised his business was operating as a limited company when he applied for the business Bounce Back Loan.

I'm very sorry to disappoint Mr C but as I'm satisfied both accounts were set up in line with instructions that said he was a sole trader, I'm unable to agree Santander has made a mistake or treated him unfairly.

### **My final decision**

My decision is that I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 April 2024.

Marco Manente  
**Ombudsman**