

The complaint

Mr G complains Santander UK Plc ("Santander") made mistakes when he transferred money from his account with them to one overseas.

What happened

On 25 April 2023 Mr G tried to make a payment to his bank account overseas. Instead of the correct amount in sterling the amount was sent in the overseas currency. This meant less than ten percent of the amount Mr G had intended to send, arrived in his overseas account. When Mr G made a further payment to try and rectify this it was blocked on 28 April 2023. This payment block wasn't released until 16 May, also, the block placed on Mr G's online banking at the same time wasn't released until a few days later on 19 May 2023.

Mr G said because of the blocks he was without funds and had to take out a short term loan which cost £240 in interest. He also incurred two £25 transfer fees, £62 call costs and £12 postage costs. He'd like all of these repaid along with compensation for all the stress and worry this has caused him

Santander said although the account was blocked correctly on 28 April 2023 it had caused unnecessary delays on resolving this for Mr G. They removed the payment block on 16 May 2023 but they failed to remove the block from the online banking facility causing Mr G to have to contact them again to get this resolved on 19 May 2023. They offered him a payment of £100. £50 for the two transfer fees charged on 25 and 28 April 2023 and £50 for the distress and inconvenience. Mr G asked for a further payment for the interest he'd incurred and the call cost and postage costs and referred the matter to this service.

Our investigator upheld the complaint. She could see from Santander's account notes there was a problem with the currency on the first transaction and it admitted fault and upheld this part of the complaint. She couldn't say Santander had made a mistake in applying the blocks in the first place but she thought, by not removing the block from the account properly, it had caused unnecessary inconvenience and distress to Mr G. She also thought the £50 compensation offered for the time it took to remove the block on the second transfer on 16 May and the later unlocking of his online account on 19 May 2023 wasn't enough. She thought Santander should offer £100 compensation along with the £50 it has offered to cover the two transaction fees to Mr G.

Santander accepted the suggestion in the view to pay a further £50 compensation – bringing it to £100 compensation plus refunding the £50 for the two transfer £25 fees. And in respect of Mr G's expenses, it offered a further £50 towards his telephone costs.

Mr G disagreed with the view. He thought some of the investigator's suggestions were penny pinching. He said Santander should recognize he had a need for funds and agree to pay something towards the loan. He also thought they should pay interest on the funds they held whilst the account was frozen. But he found the most frustrating part of the complaint to be the rudeness of the representatives, particularly when he was promised a call back but this never happened. He thought this justified at least another £50 compensation.

On 15 March 2024 I issued a provisional decision. In that I thought Santander should pay an increased amount of compensation totalling £224. Broken down that was £100 for the

distress and inconvenience the mistake caused Mr G to suffer, refunding £50 for the two transfer fees and £74 in respect of his out of pocket expenses.

Mr G responded and told us the provisional decision seemed a reasonable interpretation of events and now accepted whatever we decided. The following day he told us he couldn't understand why Santander weren't being asked to pay interest. He remained of the view that by blocking his account Santander had deprived him of a higher rate on interest and had benefit by having his money. He questioned why it was so wrong to expect Santander to pay something for that lost interest and worse to not put that point to them. Santander didn't respond with any new information for me to consider.

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.

Whilst I appreciate Mr G remains unhappy about the interest, he hasn't sent me any new information or made any new points about this. So, there's nothing before me which changes my conclusions and I don't see any reason to alter my decision.

Putting things right

Santander UK Plc should pay Mr G a total of £224. Specifically, a further £50 compensation bringing the total to £100. It should pay £74 for his telephone and postage costs and another £50 to refund him for the two £25 transfer fees he paid. The statements show it's already paid £100 towards this when initially responding to the complaint in May 2023.

My final decision

My decision is to uphold Mr G's complaint. Santander UK Plc should pay Mr G £224 compensation and expenses in total, less any payments already made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 June 2024.

Annabel O'Sullivan
Ombudsman