

The complaint

Mr T is complaining about Santander UK Plc because of issues he experienced when applying for a personal loan that ultimately meant he didn't receive the money he was expecting.

What happened

Mr T applied for a loan with Santander. On 3 November 2023, he received an email saying his application had been accepted and that he'd receive a letter by post containing an authorisation code he could then use online to release the funds.

Mr T didn't receive the code and called Santander a number of times to chase this. Santander says it issued a replacement code on 24 November but Mr T didn't receive this either. In the end, the loan offer expired without Mr T being able to access the funds. He says the money was needed to pay a repair bill and he ended up having to use his credit card instead, which charges a higher rate of interest.

In response to Mr T's complaint, Santander maintained it sent the original code on 3 November with a replacement on 24 November and that it hadn't made an error. It also didn't accept Mr T was told not to order a replacement code online or otherwise misinformed over the telephone. But it did acknowledge Mr T's dissatisfaction and confirmed it was paying £30 to his account as a gesture of goodwill.

Our investigator didn't recommend the complaint be upheld, saying the available evidence indicated the required codes were sent when Santander said they were and that he wasn't misinformed about what he should do when he called the bank. The investigator therefore didn't recommend further compensation was due.

Mr T didn't accept the investigator's assessment and made the following key points:

- Santander must have failed to send the code because he was receiving other mail at the time.
- It could and should have sent the code in a different way to make sure it was received.
- It was important for him to be able to access the loan and he's suffered considerable distress and inconvenience.

The complaint has now been referred to me for review.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't

believe it's affected what I think is the right outcome. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

It's impossible for me to know conclusively whether or not Santander sent the required authorisation codes. In these circumstances, I must weigh up the available evidence to decide what's most likely to have happened.

Santander has provided documentation outlining its normal process was for a letter containing an authorisation code to be automatically generated once a loan application was accepted. In an attempt to demonstrate this process was followed, Santander has provided an extract from its audit log that records a letter was generated on 3 November and that the code was reset and a further letter generated on 24 November.

On balance, and notwithstanding the fact Mr T didn't ultimately receive the information, I find this to be persuasive evidence Santander most likely did write to him with authorisation codes when it said it did. I'm also conscious Mr T told the investigator he received a lot of other correspondence by post from Santander, including a new debit card, which indicates it was using the correct address. With these points in mind, I don't think there's sufficient evidence the bank made an error.

I understand Mr T believes the information he needed could have been provided by other means, but Santander says it uses the postal system rather than an email for security reasons. I think that's a reasonable approach for the bank to take and it's consistent with my experience of how other banks distribute sensitive and confidential information of this type.

I've also listened to recordings of Mr T's calls to the bank throughout November and I don't think he was misinformed about the process or what he needed to do. It was explained to him that he could order a replacement code online if he wished, but I think it was reasonable for the operators to also explain this would invalidate the original code, meaning it couldn't be used if and when it was received. This gave Mr T the information he needed to decide how to proceed.

I have noted Mr T's frustration at how events unfolded and I think that's understandable given he was trying to raise money to pay for repairs to his home and had to make a number of calls to try and resolve the situation. But I don't think the evidence shows Santander made an error so I'm not requiring it to pay additional compensation.

It's for these reasons that I'm not upholding this complaint. I realise this outcome will be disappointing for Mr T, but I'm satisfied it's fair and reasonable in the circumstances.

My final decision

For the reasons I've explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 June 2024.

James Biles
Ombudsman