

The complaint

Mr G is unhappy about Santander UK Plc's handling of his bank account switch. Mr G had to spend a lot of time sorting out issues with his direct debits as Santander didn't set them up.

What happened

Mr G used the switch service to move his account to Santander. But shortly afterwards realised there was a problem when he was contacted by companies on his direct debit list letting him know that his usual payments hadn't been made.

Mr G said he spent 10 hours contacting the different businesses on his list to apologise and reset his direct debit payments. When he contacted Santander, it said it hadn't been given any details of any direct debits by his previous bank (I). Mr G didn't find Santander very helpful. Santander offered £200 compensation. There were further problems with Mr G's credit card account not being paid and both parties blaming each other. Also, Mr G said Santander had wrongly given out his details to the credit card company (T) when it arranged to set up the payments again. Mr G was also worried about what might happen if his credit card didn't work while he was abroad.

As agreement couldn't be reached Mr G brought his complaint to this service.

Our investigator upheld the complaint. She said the switch responsibility was down to Santander. She accepted this was a worry for Mr G in his personal life and with his financial situation. Our investigator said the £200 compensation offered wasn't enough and increased it by a further £150.

Mr G didn't accept this and asked for his complaint to be passed to an ombudsman for a final 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 G switched to his new Santander account in July 2023. He said Santander promised to get all the direct debits set up while arranging the switch. But that didn't happen, and Mr G had to get in contact with all of his providers for his mortgage, loans, utilities, credit card and other bills to set up the direct debits. He said this took him at least 10 hours and he had to answer some very awkward questions about his finances and his family circumstances during the various conversations.

Mr G said Santander didn't take responsibility and tried to blame it all on I – his previous bank. Santander said it hadn't been given any direct debit list to set up. Mr G made the point to Santander that his switch deal was with Santander and not with I.

Mr G said he was charged twice by T his credit card company for not paying his balance and interest. But he did manage to convince T to refund the extra charges it applied for late

payments. T said Santander had cancelled the direct debit but Santander blamed T. While he was away trying to enjoy his holiday Mr G had to arrange to pay his credit card balance but was warned that it might take 48 hours for the credit card to work again in view of the problems. This was a further worry for Mr G. Mr G questioned why Santander gave T his bank details as he felt this was a breach of confidentiality.

Mr G said it took 3 months to get everything sorted out. And one business told him it had put a “note” on his credit rating, but it said it would now remove that as it had been resolved. Mr G said he’d lost trust in Santander.

Santander said there were no direct debits on the list provided at the switch. But it also said as part of the switch redirection service once completed, and the old account closed these payments would be redirected to the new Santander account anyway.

Santander maintained there was no direct debit set up to pay T. It said this was why it went back to T to provide it with a new sort code and account number. This way a debit was set up for 1 August. Santander said this was part of the switching process.

Santander said T was unable to claim a 15 September direct debit as it was cancelled. It gave specific details of times and dates when it said Mr G had logged into his account and cancelled this payment. So, it said this wasn’t an error on its part. Santander said it couldn’t see that Mr G had set up a direct debit with T and if there had been one it would have redirected when the old account closed.

Santander apologised and said it had taken responsibility for the problems that occurred. It offered £200 compensation for Mr G having to contact his direct debit companies with his new bank details. It said the direct debits were now all set up and going out of the account regularly since September 2023.

I agree with Mr G. If there’s a problem with a switch, he would be right contact his new bank – in this case Santander. All payments are covered by the Current Account Switch Guarantee. So, he was correct to expect Santander to take action and deal with it.

Regarding Santander giving T the details of Mr G’s account. I know Mr G is unhappy about this, but Santander said it was doing this as part of the switching service and I think that’s reasonable. It was done to ensure the payments could be taken in the future.

I understand Mr G was concerned about his credit card usage while he was abroad. This would have been a worry. But Mr G didn’t highlight specific problems that occurred, or that the card didn’t work for the 48 hour period.

It did take too long for the direct debit problems to get rectified. And it seems Mr G did rectify the issues himself. Also, I do understand with the problems Mr G had encountered he would have been more worried while he was abroad about trying to use his credit card. Along with his concern about Santander giving out any of his details. As Mr G put it, he’d lost trust in Santander. There’s no doubt there was an impact on Mr G and his health. He also had to spend his time putting matters right. So, I think it’s right that Santander apologised and offered compensation. But I do think the £200 was too low. Overall, I think a total of £350 would be a fair outcome given the circumstances. Santander should increase the amount it offered by another £150.

Putting things right

- Pay an additional £150 compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint.

I require Santander UK Plc to:

- Pay an additional £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 September 2024.

John Quinlan
Ombudsman