

## **The complaint**

Mr G complains that Santander UK Plc made mistakes when setting up a fixed rate bond that meant interest wasn't paid to him each month.

## **What happened**

Earlier this year, Mr G set up a fixed rate bond with Santander over the phone. Mr G's explained he wanted the interest that accrued each month to be paid into his Santander current account. But the agent Mr G dealt with failed to set up the fixed rate bond correctly and, as a result, interest was paid to the balance instead of his current account each month.

Mr G contacted Santander and complained. Santander issued a final response on 9 May 2024 and said a mistake had been made when setting up the fixed rate bond. The call Mr G had when setting up the bond was listened to and Santander advised the agent he'd spoken with should've confirmed the account details for making monthly interest payments. But the agent failed to take that step which meant that once the fixed rate bond was active, interest was added to the balance instead of being sent to Mr G's current account. Santander explained it couldn't reverse those payments but paid Mr G £125 to cover the interest and costs of his call.

Santander issued another final response on 20 May 2024 and paid Mr G a further £40. Santander confirmed that, going forward, interest would be paid to Mr G's current account, in line with his original instructions.

An investigator at this service looked at Mr G's complaint. Within its file submission, Santander explained the original error had come about due to a mistake by the agent Mr G spoke with. The investigator was satisfied the issue had come about due to human error and said they thought Santander had already agreed a settlement that fairly reflected the issues Mr G had raised.

Mr G asked to appeal and told the investigator that he wasn't persuaded Santander had explained what happened and what went wrong. As Mr G 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I understand Mr G would like a more comprehensive explanation of what went wrong when the bond was set up. But Santander's already explained what happened and why interest from his fixed rate bond wasn't initially paid to his current account each month. Santander's confirmed that the issue came about due to human error by the agent Mr G spoke with when setting up the bond. I appreciate that may not feel like a satisfactory response to Mr G and that he believes there's something more at play. But I'm satisfied Santander has reasonably explained what happened when responding to Mr G's complaint. And I'm satisfied it's more likely than not the issue came about due to a mistake by the agent Mr G spoke with when setting up the bond. I'm sorry to disappoint Mr G but I'm unable to agree that Santander has failed to explain what happened.

I think it's reasonable to note there's been no identifiable loss to Mr G in this case. Whilst interest wasn't initially paid to his current account, it was applied to the bond balance. As a result, once the bond matures, Mr G will have access to that interest. In addition, Santander's final response dated 9 May 2024 explained it had made a separate payment of £125 to Mr G's current account in recognition of the amounts he was expecting to receive. Santander paid Mr G a further £40 in recognition of the distress and inconvenience caused when it issued the follow up final response on 20 May 2024. In my view, Santander has already agreed a settlement that fairly recognises how the issues raised affected Mr G.

I'm sorry to disappoint Mr G but as I'm satisfied Santander has explained why interest wasn't initially credited to his current account each month and that it's already agreed a settlement that is fair and reasonable in all the circumstances, I'm not telling it to do anything else.

### **My final decision**

My decision is that Santander UK Plc has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 31 October 2024.

Marco Manente  
**Ombudsman**