

The complaint

Mr K complains that Santander UK Plc's One Time Passcode (OTP) process is not fit for purpose.

What happened

Mr K says that he opened a current account with Santander entirely for the travel benefits the account offered. Mr K went overseas, and he informed Santander about this before he travelled. He attempted to use his card for the account, but he says Santander only rely on sending a text message for an OTP to a mobile phone, despite another bank having different methods they could send an OTP to. Mr K was worried about roaming charges for using his phone and receiving their texts, but he had to use the mobile phone to receive the OTP. Mr K says that he did not get the OTP quick enough, which made him have to attempt the transaction again. Mr K made a complaint to Santander.

Santander did not uphold Mr K's complaint. They said Mr K felt that they should be sending OTP's via online or mobile banking instead of texts, but OTP verification by text message is an industry standard process. Santander said although Mr K informed them that when he receives OTP texts abroad they can take longer to be received, or not be received at all, they are not in control of the mobile phone networks, and they can't guarantee the delivery of messages outside of the UK. Mr K brought his complaint to our service.

Our investigator did not uphold Mr K's complaint. She said while she could appreciate why having the choice to receive the OTP via the Santander application (app) would be much better for Mr K, she didn't feel Santander made an error or acted unreasonably by sending a text message to him.

Mr K asked for an ombudsman to review his complaint. He made a number of points, In summary, he said his complaint was about Santander's process not working, therefore it was not fit for purpose. He said the evidence shows their verification process failed numerous times, as opposed to failing on the odd occasion.

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.

Firstly, I'm aware that I've only summarised Mr K's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Mr K that it is not within this service's remit to tell a business how they should run their policies and procedures, such as how they should send OTP's and by which method they send an OTP by (eg text/app/online banking etc). It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Santander to

make changes to their policies and procedures, if necessary.

I've considered what Mr K has said about how another bank can send an OTP through the app, whereas Santander can only send an OTP via a text message. But it would be down to the individual bank to decide how they want to operate their security procedures, so I'm unable to ask Santander to make other methods of receiving an OTP available to their customers.

The crux of Mr K's complaint is that Santander's process is not fit for purpose as it doesn't work. I've noted the strength of feeling that Mr K has regarding what happened to him when he was overseas, and I can empathise with the situations he found himself in, and the embarrassment he must have felt at the hotel, so I can understand his point of view regarding Santander's process. But I don't agree the process doesn't work, and I'll explain why.

Santander have forwarded our service a screenshot of merchant transactions that Mr K attempted to make. This shows when an attempted card transaction has failed or been successful and if they've sent an OTP text message in order for the transaction to proceed.

I can see from the screenshot that Mr K had been sent an OTP for transactions which were successfully approved on 10 May 2024, 11 May 2024 (twice) and 12 May 2024. The screenshot shows the transaction was successful, and the transactions on Mr K's account shows that these card payments debited his account when he was overseas.

But Mr K has forwarded us screenshots of the text messages he received from Santander. These are sometimes a minute or two after Santander's system shows him attempting the transaction. While a couple of minutes may not sound like a long time, if Mr K was in a busy shop attempting to make a card transaction and it took him minutes to get a text, then this could feel a very long time, so I can understand why Mr K tried the process again before he received the first OTP.

And after seeing the value of the transactions which have been converted to pounds, these payments are for very low amounts, so it could appear to somebody else that Mr K didn't have the money to make the payments, despite the balance in Mr K's account clearly being far greater than the transaction amount that he's attempted to make, so I can understand why he's felt embarrassed abroad.

I'm persuaded the issue is how long it took Mr K to receive the OTP as opposed to the process not working as such. But while Santander would be responsible for sending a text, it would be outside of their control when a text is delivered. This would be down to the mobile phone networks.

Santander have a page on their website about OTP's. On this webpage, it says "*OTPs usually reach your phone within seconds (or a little longer if your network coverage is weak). You can still get OTPs abroad if your mobile allows global roaming. Please check with your network provider to confirm availability and charges.*"

So I do think they set an expectation that an OTP could take longer to reach Mr K's phone if his network coverage was weak. He was urged to check with his network provide regarding availability and charges. Mr K could get OTP's abroad, and he did, as evidenced by his successful transactions requiring OTP verification when he was abroad. So it follows I don't require Santander to do anything further.

My final decision

I do not uphold this complaint.

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

Gregory Sloanes
Ombudsman