

## The complaint

Mr J complains that Santander UK Plc won't let him transfer the new account product to his existing Santander current account.

## What happened

Mr J said he wanted to transfer his Santander current account into a new Santander 123 Lite Account (123) so as to keep his account number and receive a £150 reward from Santander for opening the new account. Mr J wanted to transfer his direct debits from another account.

Mr J said Santander told him this wasn't possible so he opened a new account, but Santander then told him it would have been possible. And told him he could close the second account and move the direct debits to his existing account, which is what he wanted.

Mr J said he contacted Santander trying to time the switch to avoid two months' service fees and retain the direct debit cashback. He said Santander advised him when to make the switch. But when he called in June 2023 to close the second account and move the new 123 to his existing account, he was told he couldn't do this as the 123 had been withdrawn. Mr J said this was only to new customers, which he wasn't, and he complained to Santander.

In its response Santander said it hadn't made a mistake as the 123 is off sale. It said the 'incorrect information' from its adviser that an upgrade would be possible was given before the end of the 123. It said if Mr J wanted to keep the 123, he would need to keep his current account. Mr J wasn't happy with this response and referred his complaint to our service.

Our investigator didn't recommend the complaint be upheld, she said Santander didn't get it all right but doesn't need to make any further payment or open a new 123. Mr J had told us Santander said he couldn't change his current account into a 123 but needed to open a new 123 with a new account number. He did this in September 2022 and moved his direct debits from another bank, but Santander had given incorrect information and he now had to move direct debits from his new 123 to his current account, then change this to a 123 if he wanted to keep the same account number, but due to withdrawal of the 123 this wasn't possible.

The investigator said Santander gave Mr J the wrong information in September 2022 about transferring his direct debits from another bank and opening a new 123. It paid £40 for the inconvenience of having to open a new account at a branch, which Mr J accepted, and this was fair, and Mr J received the £150 cashback reward which started this process. She said Santander had withdrawn the 123 when Mr J made renewed contact as it was entitled to do.

Mr J disagreed with this outcome and requested an ombudsman review his complaint. He said the £40 compensation related to a separate complaint about incorrect information that led to his opening a second account as he would be able to move the product to his original account. He said he accepted the compensation before the present complaint arose.

Mr J said Santander's marketing material says the 123 isn't available to new customers, but he isn't a new customer and didn't want a new account. He wanted to transfer the product he already held to another account and was told he could do this and advised as to the best time to avoid double account fees. Mr J said the £150 was an offer for account switching. He said he (coincidentally) rang Santander on the day they'd decided not to sell the 123 anymore, his intention being to transfer the existing product from one account to the other.

These points were considered by another investigator who said Mr J had raised a complaint about incorrect information and the £40 compensation was for this previous complaint. Mr J accepted this on the understanding he could move the product to his original account. But Santander can't switch his current account to a 123 as no longer in its product range. The investigator said Santander's decision is in line with the terms and conditions of the account.

### **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 was sorry to learn that what should have been a straightforward switching process for Mr J has turned into a prolonged and drawn-out experience. Part of my role is to determine whether what took place was reasonable and whether Santander followed the process correctly.

I can see that Mr J was not attempting to add another account or have an additional account with the account product he requested. He only wanted to move the product he already had to his other account, he didn't want its features on more than one account. Mr J wanted to keep the same account number and sort code. In order to do this, Mr J tried to close the second account and move the product to his original Santander account.

I can understand Mr J's desire to change his current account to a 123 and keep the same account and transfer his direct debits from his new 123 to his current account then close the 123. Santander paid £40 for the inconvenience when he switched his bank account and direct debits from another bank to a new 123 and paid him the £150 cashback award.

Mr J explains that the present complaint concerns his request that Santander not transfer his existing account and its refusal to do what they had said they would do. I can see that Mr J was told he could switch his account, in September 2022, but Santander said its adviser would not have known the 123 would be removed at that time. Santander was offering the 123 to customers at the time so provided accurate information. But when Mr J contacted Santander nine months later, in June 2023 Santander had made a commercial decision not to offer new 123 anymore.

The terms and conditions of the account allow Santander to withdraw the account: '*This account may be withdrawn at any time without notice*'. And so, it's clear that Santander acted within the terms of the account in the decision it reached about no longer offering the 123.

I realise that Mr J was not a new customer and wasn't seeking to add the 123 product to a second account. However, the effect of Santander's decision is the same in his circumstances as if he were a new customer.

Banks can withdraw products and Mr J's wishes have been frustrated by Santander's decision to withdraw the 123. This means it could no longer change his current account to a 123. We can't interfere with a commercial decision by a business to no longer offer an account. Santander was entitled to withdraw the account in the way that it did under the account terms and conditions. Based on what I've seen, I'm satisfied Santander hasn't acted unfairly by not opening this new account for Mr J as it is no longer available.

I move now to compensation. We're all inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance is unwelcome, but to be expected. It's the impact of the errors made over and above that which we consider to determine if an award of compensation is merited, and if so, how much.

Santander gave Mr J misinformation, and I can understand the importance of his existing account to Mr J. Santander should have made it clear his current account could be changed to a new 123. However, Santander apologised, and quickly corrected its error and provided Mr J with the information as to what was required to put things right. The intention was to

ensure Mr J could keep the account number. And so, I agree with the investigator that I do not think that any further inconvenience payment is due from Santander.

Mr J I still has two accounts which is inconvenient for him, and he said the replacement product doesn't benefit him financially. A lack of benefit is different from a financial loss and having seen that no financial loss has occurred, and Mr J was previously compensated for the inconvenience he experienced, I find that a further payment in this case is not warranted.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 30 October 2024.

Andrew Fraser  
**Ombudsman**