

The complaint

Miss C complained about Santander UK Plc. She said Santander provided incorrect information about a stocks and shares Individual Savings Account (ISA) she held with it. She said it didn't inform her, that her money wasn't invested. She said this cost her in that her funds were not earning interest or providing investment growth. She would like Santander to put things right.

What happened

Miss C opened a stocks and shares ISA with Abbey National. Santander bought Abbey National in 2004. At some point in 2016 it looks like Miss C's account was migrated to Santander's investment hub online.

Miss C invested £40,000 in 4 £10,000 blocks into her ISA account in March 2020, November 2020, March 2021, and December 2021. She said she received statements from Santander early on in 2020 and 2021 that showed her, there was a zero cash balance. She said though that it wasn't until March 2024, that she received a call from Santander informing her that her £40,000 was being held as an uninvested cash balance.

Miss C said she was unhappy with Santander, that it didn't make contact to her prior to March 2024, to inform her that her cash hadn't been invested. She said she had lost out on around 4 years of interest or investment growth. She complained to Santander about this.

Santander said in response that it understood Miss C's complaint caused her problems, but this wasn't because it had made any mistakes. It said the investment hub was an execution only service which meant it didn't give any advice and it was up to Miss C to decide what to invest in.

Santander said it sent an explanation about the investment hub to Miss C in 2016 and how everything would operate. It said it clearly informed Miss C about how it would work in her ISA. It said it also clearly showed in statements that cash was held alongside the fund she had invested in.

Santander said it recently launched a pilot scheme of contacting customers who held funds in cash, to provide help if required, but it wasn't a service it previously offered. It said it didn't uphold Miss C's complaint but as a gesture of goodwill it arranged for £150 to be sent to her.

Miss C was not happy with Santander's response and referred her complaint to our service.

An investigator looked into Miss C's complaint. She said she reviewed a copy of the terms and conditions as well as the account key features document explaining how everything worked.

The investigator concluded the documents clearly explained that cash could be held in an ISA and gave the reasons why this was the case, including that Miss C would choose her investments and also for when income is generated. She said she checked, and Miss C's account was set up according to the terms provided by Santander. She said the statements

Miss C received stated that cash was held in her investment hub account. The investigator said she hadn't seen any instructions from Miss C asking to invest the funds. She said she couldn't see there was an error or any unfair behaviour by Santander here.

Miss C was not in agreement with the investigator's view. She said the account online was not very user friendly from her point of view. She said she had made cash deposits online, but it wasn't clear that she had to push a further button to invest.

Miss C said she felt Santander should have made a call to her earlier. She reiterated the first page of her statement showed the cash account as being zero. She said it was wrong of Santander to open a cash account alongside her stocks and shares ISA to which she didn't ask for and wasn't informed about. She said she would like things looked into further.

Because the parties are not in agreement, Miss C's complaint has been passed to me, an ombudsman, to look into.

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 have independently reviewed Miss C's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons. I will explain why.

I can see Miss C has held a Stocks and Shares ISA for a long time, first with Abbey National, and then with Santander when the latter bought the former. So, in around 2004 Miss C would have received details from Santander, that it was the provider of her ISA.

Then in 2016, Miss C's ISA migrated onto Santander's investment hub. This was essentially a way that Miss C could access any investments held with Santander in one place and online. Santander said it sent details of the terms around this service along with a letter to Miss C at the time, where it explained how this would all work, including that she would have a cash only account alongside her investments and uninvested cash in her ISA.

I have seen the letter that Santander said it sent to Miss C. I can see that Miss C's details are displayed on the letter, so I think its most likely it did send this and the terms to her. Miss C said she cannot recall receiving this and so either she now cannot remember it, or it did not arrive.

In any case, I am satisfied that Miss C would have been given clear information on the terms and conditions of her account. This is because I can see in 2019, on a statement sent to Miss C, Santander revised its terms and detailed what they were. It provided a link to the new terms and conditions as well as provide information about how her ISA and the investment hub worked. So, I think Santander provided information about this in 2016 and again in 2019, and it is more likely than not that Miss C would have been provided with at least one of these updates.

I have concluded Miss C would have been made aware of the terms and conditions that applied to her investment ISA. That said, I have gone on and looked into whether Santander treated Miss C fairly and whether it provided its services within the terms and conditions that it provided.

I can see on many of the statements Santander sent, dated between 2018 and 2022, the cash account that Miss C has raised issue with. On the front-page Santander has shown that there were two accounts: one in cash with a zero balance and another, her ISA account

with her funds in it. I acknowledge what Miss C has said about this; however, I don't think that it would be fair or proportionate of me to conclude that just because the front page of her statement at any one time showed that she had a zero balance in a cash account, that she should have taken from that, that her funds were invested, or that Santander ought to have alerted her to the fact she had uninvested funds either.

I say this for a number of reasons:

- Santander stated within its terms and conditions that any cash deposit would initially be allocated as cash. In term 4.5 it states, "*all cleared single lump sum payments will initially be allocated as cash in your ISA and / or investment account*".
- Miss C would have needed to make a choice about what to invest in, when she deposited her funds into her ISA account, but she didn't do this. The money was uninvested and being an execution only service that Miss C had signed up for, I wouldn't expect Santander to do anything other than retain the money as cash, awaiting further instructions.
- Santander was under no obligation to Miss C, to do anything other than what it had agreed to do within the terms and conditions of her account. I can't see anything within the terms or in any other literature provided by it that I have in front of me, that it said it would contact Miss C about this. Santander has told our service that it contacted Miss C in 2024, as it was trialling a pilot initiative to try and help its customers.
- The cash only account was a holding facility for payments of fees and transfer of money. It was displayed on the front of Miss C's statement purely to ensure that if any money was at that time held in that account, that she would be aware of it and her finances would tally. This would have been explained in the terms and conditions of Miss C's account, something I have already concluded Miss C would have been given information about.
- There was a detailed breakdown of Miss C's ISA account showing investments and cash displayed later in each statement. Within this, Miss C would have seen on a few occasions, and from 2020 onwards during and after she made the deposits, that she had cash sitting in her ISA account alongside her investment fund. In each statement this was clearly displayed under the headings: 'cash' and 'investments'.
- The cash balance displayed under ISA investments also displayed the amount Miss C had deposited in cash only minus fees that she had paid. There were no further details that would indicate an investment had been made, such as units or unit price.

Miss C said she wasn't made aware that she needed to push a further button, online in order to invest – but that is not all she had to do here. She also needed to choose what to invest in and I think it is reasonable to conclude that until she did this, that Santander would keep hold of the cash as uninvested, awaiting further instructions. I think when I consider this and what I have concluded above, I think on balance, Miss C was made aware she had deposited and not invested her money in her stocks and shares ISA. And that it was up to her to choose what to invest in. I have looked through everything provided and don't think Santander has made any errors here either. So, it follows that I don't uphold Miss C's complaint.

I can see Santander has offered and paid a gesture of goodwill payment to Miss C. I don't think I need to make a finding about this and can see that it has sent her a cheque in this regard.

I appreciate that my decision will be disappointing for Miss C. But based on everything I have read and the findings I have given about this, I don't uphold Miss C's complaint.

My final decision

My final decision is that I do not uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 25 February 2025.

Mark Richardson
Ombudsman