

The complaint

Mrs T complains that Santander UK Plc stopped paying interest on her account without telling her.

What happened

In 2016, Mrs T opened up a Santander 123 account. The terms of the account stated that in order to earn interest, Mrs T would need to pay in at least £500 per month, and she would need to have two active direct debits on the account.

Mrs T cancelled one of the direct debits in November 2023 which resulted in the interest no longer being paid. Mrs T didn't become aware until June 2024 and complained to Santander as they hadn't told her previously. Due to the interest stopping, Mrs T said she lost around £240 in interest payments and wanted Santander to reimburse the loss.

Santander responded to Mrs T's complaint and explained that as the eligibility terms of the account hadn't been met, they hadn't made any mistake in stopping the interest payments. Because of this, they weren't willing to pay anything to Mrs T as they said it was down to each customer to manage their finances and make sure the terms of the account are met.

Mrs T disagreed and so brought her complaint to our service. Our investigator looked into everything and was of the opinion that Santander hadn't made any error. She agreed that the terms of the account had not been met, and also explained that Mrs T had also received statements showing that no interest had been paid. Our investigator felt this was enough to alert Mrs T to the fact no interest was being paid, and therefore couldn't recommend that Santander do anything further.

Mrs T disagreed. She said the terms and conditions of the account were provided many years ago meaning it is unreasonable to expect a customer to remember all of them, especially as there are so many options available. Mrs T also explained that this account wasn't her main account and therefore she rarely reviewed it. She said she holds an account with another provider who remind her of the terms annually, and therefore Santander didn't take sufficient duty of care.

Our investigator explained that the terms of the account were available should Mrs T have needed to refer to them. She also explained that she wouldn't expect Santander to send out reminders of terms each time action is taken on an account, such as cancelling a direct debit for example. As Mrs T didn't agree with our investigator's view, the complaint was passed to me.

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.

After considering everything, I agree with the outcome reached by the investigator. I know this isn't the outcome Mrs T hoped for, so I will explain why I have come to the decision I have.

I have checked the terms of the account which state that in order to be eligible for cashback and interest, a customer must pay in at least £500 a month and have at least two active direct debits. The terms also clearly say *"We won't pay you any interest for any month where you don't meet the eligibility requirements"*.

I can understand that Mrs T opened the account in 2016 and therefore a lot of time had passed before she decided to cancel one of her direct debits in November 2023. However, the terms of the account are very clear in that two direct debits must be in place in order for interest to be paid. They were also available online should Mrs T have wanted to check them before cancelling the direct debit.

I also appreciate that Mrs T said she didn't check the account regularly as it wasn't her main one, but I can see that she was sent monthly statements which clearly state that no interest was being paid after the direct debit had been cancelled. While the terms of the account weren't sent as a reminder, the statements were, and these would have shown Mrs T that the interest payments had been stopped.

Given everything, I am satisfied that Santander made the terms of the account clear when it was opened, and that the statements sent to Mrs T showed that no interest was being paid after she cancelled the direct debit. Customers have a responsibility to manage their accounts in line with the terms, and I wouldn't expect Santander to monitor all activity and alert customers every time the terms weren't adhered to.

Because of this, I can't find that Santander have made any errors here, and I therefore won't be asking them to pay Mrs T the interest lost.

I know this isn't the answer Mrs T wanted, but I hope she feels assured that someone impartial has reviewed her complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 25 October 2024.

Danielle Padden
Ombudsman