

The complaint

Miss W complains Santander UK PLC (“Santander”) should refund her for all the disputed direct debits taken from her account, and even after it agreed to do so it didn’t refund all the transactions.

What happened

The facts of this complaint are well known to both parties, and I am conscious that the details are difficult for Miss W to talk about. So, I have provided a summary of what’s happened below.

Miss W raised a complaint to Santander for a refund of direct debits with six different companies which were set up on her account fraudulently. Santander responded to her complaint, acknowledging the difficult situation Miss W had been in and accepted these direct debits had been set up under duress. However, Miss W says Santander did not refund all the direct debits like it said it would. She says Santander failed to investigate the matter properly, closed her complaint before it resolved her issues and didn’t refund all the direct debits.

Santander says it is sorry for the time it’s taken to give Miss W a resolution to her complaint. It initially offered her £50 in compensation, but most recently Santander offered further compensation bring the total amount of compensation offered to £275. Santander says while it thinks it could have done better, Miss W only raised a complaint about the direct debits from Mach 2023 onward, so that’s what it initially investigated.

Our investigator considered this complaint. After ensuring all the direct debit had been refunded, he looked into the amount of compensation offered, and he felt the £275 offered by Santander was a fair amount. Miss W wasn’t happy with this, so the complaint was passed to me to consider.

I considered Miss W’s complaint and issued a provisional on 16 July 2024 stating:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I am sorry to hear of Miss W’s previous difficult living situation and her more recent financial hardship. I can appreciate that the last few years must have been very difficult for her. However, I Miss W has confirmed that all the disputed direct debits have now been refunded. So, I will not be addressing these in my decision.

Miss W says she raised her complaint with Santander in October 2022. Since then, she has been chasing it for a fair resolution. However, often when she had called, she was told her case was no longer being investigated, or it had been closed. She says she’d also been told that some of Santander’s investigators had not investigated her complaint properly. Miss W says Santander only partially refunded her disputed direct debits and she had to chase it several times to refund the remaining payments.

Santander said Miss W only raised a complaint about the direct debits from March 2023 onwards, so it only refunded the payments taken from this date onwards. It also says Miss W didn't raise a complaint about one of the direct debit agreements, so it didn't refund any of the payments made to that company. We asked Santander for evidence of Miss W's original complaint with it, but at the time of writing this hasn't been provided. So, I've reached my decision based on the evidence I do have. If Santander would like to provide this before I reach my final decision, I will take this into account, however I can't say whether this will change my view. I'll explain why.

Miss W's complaint centres around the fact she suffered domestic and economic abuse in her past relationship. And she says her partner at the time took control of her accounts and set up these direct debit mandates under duress. She said she has never had an account with any of the companies concerned, and so she would like the transactions refunded. It seems reasonable then to expect Santander to investigate all the debits made under these mandates from their inception. So, Santander should have investigated all the direct debits for all of the companies which were created during the time Miss W was living in this terrible situation, or it should have asked Miss W if it wasn't sure the dates of this previous relationship.

I've also looked through the investigation notes for Miss W's complaint. And from this it seems that there were instances in the investigation when points were not followed up. I appreciate that Santander says it had been difficult to get in touch with Miss W because of her circumstances, but I think it could have done more to investigate her complaint fully and get in touch with her by making some adjustments.

Miss W is suffering from severe financial hardship, and while it isn't Santander's fault that she is in this position, I think it would have helped her had it refunded the transactions in full when it said it would. However, I don't think this is the only factor which has led to her current difficulties and recent housing problems, so I have considered this balance when awarding compensation."

In my provisional decision I concluded that I felt Santander should pay Miss W an additional £200 in compensation to put things right. I invited both parties to respond with any comments they wished me to consider by 30 July 2024.

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.

Neither party responded with any further evidence or points for me to consider, so I have no reason to change my provisional decision.

Putting things right

Overall, and for the reasons set out in my provisional decision, I think Santander UK PLC should pay Miss W an additional £200 in compensation for the distress and inconvenience suffered as a result of Santander not refunding all the payments when it said it would.

My final decision

I am upholding Miss W's complaint and Santander UK PLC should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept

or reject my decision before 3 September 2024.

Sienna Mahboobani
Ombudsman