

The complaint

H, a trust, complains about the way that Santander UK Plc handled its application for new accounts.

H has been represented in this complaint by one of its trustees, Mr H.

What happened

In late September 2023 H had a discussion with Santander about the possibility of opening some new term deposit accounts. Following the conversation, Santander sent H details of its savings interest rates. Twelve days later, H confirmed that it wished to go ahead and open three new term deposit accounts. It asked Santander what needed to be done, and Santander sent digital forms to H for completion. H completed the forms straight away.

A week later, Santander told H that it was reviewing the information H had provided, and the following week it asked H for some additional information, which H provided promptly. Ten days later, H asked Santander why the application process was taking so long. Santander said it would chase it up. Six days later, it explained that it was still collecting information for the new account requests, and it asked whether the money for the accounts was coming from an existing account with Santander, which H confirmed the following day.

The following Monday morning, Santander emailed H to say that it had reviewed the information that H had provided carefully, but that it unfortunately didn't meet Santander's criteria, so it was unable to proceed.

H is dissatisfied with Santander's decision not to provide the accounts, and the time it took to reach and communicate it. It's commented that Santander already had a lot of the information, as H was an existing customer, and asked why, if Santander really needed the information, it didn't ask for it right at the outset, when H first expressed an interest in opening the accounts. It's also commented that it's at a loss to understand why Santander wouldn't open the accounts for H, given that it appeared willing to open them for the company with which H is associated.

H says it lost out on more than £3,000 in interest as a result of the time it took Santander to tell it that its applications had been unsuccessful. And it's dissatisfied with the way Santander dealt with its complaint.

H is also dissatisfied that Santander sent statements for H to someone who wasn't a trustee of H.

After H brought its complaint to this service, Santander said that it acknowledged the inconvenience that errors in its handling of H's complaint had caused to H. And it offered to pay H £300 as a gesture of goodwill.

One of our investigators considered the complaint, but didn't think she could ask Santander to do more than it had already offered to do. In summary, she said Santander was entitled to decide whether to offer the accounts and had acted fairly in making its decision. She said it wasn't obliged to tell H exactly why it had reached its decision, and she thought it had told H its decision as soon as it could. She said one of H's authorised signatories had changed the correspondence address for H's accounts. So she didn't think Santander had made an error in sending statements to him. And she thought Santander's offer to apologise for the way it had handled the complaint was fair and reasonable.

H disagreed with the investigator's view, so the complaint was passed to me.

My provisional findings

After considering all the evidence, I issued a provisional decision on this complaint to H and to Santander on 31 July 2024. I said:

"I'm not persuaded that Santander took an unreasonable time to decide to turn the application down. As Santander has commented, it has to carry out detailed checks on applicants for new accounts in order to comply with its regulatory obligations. I recognise that H believes that it should already have had much of the information, given that H was an existing customer, but Santander needed to ensure that it had fully up-to-date information about H, in the same way as it would have done if H hadn't been an existing customer, and it needed to consider that alongside its (then) current internal policies.

Overall, it took Santander 35 days from H confirming it wanted to open the accounts to telling H that the applications couldn't proceed. I'm satisfied from Santander's internal records that consideration of the application was on-going during that period and I don't consider the time taken to have been unreasonable.

As I've commented, the checks are detailed, and so are time-consuming. I don't consider that it would be fair to say that Santander should have started to carry them out before H had confirmed for certain that it wished to apply for the accounts, with the risk that the time would be wasted if H decided not to go ahead.

I'm satisfied that once Santander had gathered all the information requested, it became apparent that it would contravene its internal policies to provide the accounts to H. I can understand Mr H's frustration that Santander hasn't provided any detail of why this was. But I'm satisfied it considered H's application fairly, and I can't require Santander to disclose its internal policies. I can, however, confirm that it wasn't the case, as Mr H has suggested it might have been, that the basis for Santander's decision was that it wasn't, as a matter of principle, willing to offer an account with a higher interest rate than the money – which was already deposited with Santander – was already earning.

I can see from Santander's internal records that the decision was made that it couldn't proceed with the applications on a Friday afternoon and the decision was communicated to H by email on the Monday morning. I'm satisfied that the decision was communicated to H reasonably promptly after it was made.

I accept that Santander muddled the waters when it emailed H a few days later and said that the complaint had been upheld, and that the request for the account was “within Santander policy”. Mr H replied that afternoon to say that H wasn’t happy for the complaint to be closed, as Santander hadn’t explained its reason for upholding it. But he emailed again the following morning (a Saturday) to say that he’d re-read the email and as long as H could now open the accounts without further delay, he could agree with that part of the complaint being closed. Santander replied first thing on the Monday morning, saying that it wasn’t able to offer H the accounts, due to Santander’s internal policy. It reiterated its position the following day, when Mr H explained that he was confused by the emails.

I can fully understand why Mr H was confused by Santander’s email. I agree that it appeared to say that the accounts were, after all, within Santander’s policy. But given that Santander clarified the position first thing on the Monday morning and reaffirmed its position the following day, I’m not satisfied that the confusion caused any material delay in H opening accounts elsewhere. Santander has, in any event, offered H £300 to apologise for its poor complaint handling, including the fact that the complaint manager incorrectly told H that its complaint had been upheld. I comment on that below.

Turning to the problem with the address to which Santander sent statements, I’m satisfied that Santander’s computer records show that one of the signatories to H’s account amended the correspondence address to their own address in September 2023, using online banking. This change was reversed the following month before Mr H contacted Santander about the issue. I’m satisfied that there was no error on Santander’s part in the change of address, or in the address to which correspondence was sent. What’s more, Mr H says the information was confidential and could have caused a problem in the wrong hands, but that H wasn’t impacted directly by the statement being sent to the wrong address, as it was forwarded to him. So it’s apparent that no harm was caused by the sending of the statement in any event.

Finally, H is dissatisfied with the way Santander dealt with its complaint. Santander has offered H £300 to apologise for this. Our rules only allow us to consider complaints about regulated activities. Complaint handling isn’t a regulated activity, so it isn’t something we have the power to investigate or to make decisions on. It follows that I make no finding about Santander’s complaint handling. Whether H wishes to accept Santander’s offer is a matter for H. If it wishes to accept it, it should contact Santander directly.”

Further submissions

Santander has told us it has nothing further to add. But Mr H, on behalf of H, has made extensive comments on my provisional decision. He says, in summary:

- The process was actually started on 25 August 2023 when he phoned Santander to ask about opening fixed-term savings accounts. He emailed information (of which he’s now supplied a copy) six days later at Santander’s request, and he believes that that should have been enough to enable Santander to decide whether to open the accounts much earlier, especially given that H and its related company already held accounts with Santander, albeit in a different part of the bank.
- Santander surely had enough information by late September 2023 to know that opening the accounts would contravene its internal policies.

- Santander said in an email in mid-November 2023 that H was a valued customer. He'd have thought that this would have meant that it would have opened accounts for H. He'd also interpret it as meaning that Santander had all necessary information about H from the start of the application process.
- Without knowing the rationale and internal policies used by Santander in declining the applications, he can't agree with my decision as it stands, especially given that H has had accounts with Santander for many years.
- Santander asked in early November for confirmation of how much H wished to place in the accounts. This suggested to him that Santander would open the accounts for H. What's more, he'd provided that information a month before.
- The person to whom the October 2023 statement was sent had changed the address for his personal account with Santander, but not the address for H. When he received an SMS message to say that his address had been changed, he phoned Santander and explained that H's address shouldn't have been changed. He was also briefly able to view H's statements online, which he'd not previously been able to do. This shows that Santander made an error when the personal address was changed, and its computer records showing otherwise must be incorrect.
- The complaint has similarities to another complaint, in which the ombudsman found in the complainant's favour.
- It's unacceptable that he didn't ever receive any communication direct from Santander's complaints department. He believes that in the overall circumstances, Santander's complaint handling should be taken into consideration in making my final decision.

I'm grateful to Mr H for also pointing out that my reference, in the third paragraph from the end of my provisional decision as quoted above, to the "complaint manager" should have been to the "relationship manager", and have noted that.

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've thought carefully about the further comments and evidence that Mr H has provided, but they haven't changed my view about the outcome of the complaint.

I can see from the email exchange that Mr H has now provided that Santander emailed H in late August 2023, four days after the initial phone call, with the (then) current interest rates for its deposit accounts. It said that if H was interested in proceeding to an application, it should answer a list of eighteen questions "*so that we can review if we can support with the account opening*". It also attached a "change of details" form, which it asked H to complete and email back to it with certified identification documents for any new signatories.

Mr H replied two days later, attaching replies to Santander's questions. He confirmed that H would like to open "various accounts". He asked how, if H's answers to Santander's questions were acceptable, it should start the process, and whether Santander needed H to specify at that point exactly which accounts it required. After a chaser from Mr H a few days later, Santander told Mr H that its onboarding team had confirmed that H's details were on its waiting list. It said one of its onboarding specialists would be in touch to arrange an appointment for a telephone application. But it warned that due to high demand, it was experiencing longer timescales than usual, and that the application process could take roughly 10-12 weeks from when the application was submitted.

I'm satisfied that Santander warned H clearly at that early stage that the information it had provided was in a queue to be considered, and that it might take some considerable time. In the event, a phone appointment to discuss the applications was set up in late September.

I accept that it's possible that the information that Santander had by late September could, in principle, have allowed it to see that providing the accounts that H wished to open would contravene its internal policies. But once it had received the information, it needed to consider it alongside those policies which, as with most organisations, were subject to change. That wasn't something that could be done instantly, and Santander had warned H at the outset that it was experiencing particularly high demand, and that applications might take longer as a result. I don't think it said anything to H to imply that because it was an existing customer, it might be an exception.

I understand Mr H's frustration that Santander hasn't shared its rationale for declining the applications. But as I explained in my provisional decision, I'm satisfied that once it had all the information it had requested, it became apparent that providing the accounts to H would contravene its internal policies. I can't require Santander to disclose its internal policies to H, but as I've explained, I'm satisfied that it applied those policies fairly.

I don't accept that it could be assumed from Santander's reference to H being a valued customer that it would open the accounts as H wished. Nor do I accept that if it regarded H as a valued customer, it should have had all necessary information about H from the start of the application process. As I've explained, in order to comply with its regulatory obligations, Santander needed to ensure that it had fully up-to-date information about H. The fact that some of the information may previously have been provided in connection with other accounts didn't obviate the need to ask H to reconfirm that information to ensure that it was fully up-to-date.

Nor do I accept that asking H in early November 2023 to confirm how much it wished to place in the accounts necessarily implied that the application would be accepted. And while I can understand Mr H's frustration that H had already provided that information, that was, as Mr H has pointed out, several weeks earlier. So I don't consider that it was unreasonable of Santander to ensure that H's wishes remained unchanged. Nor do I consider that re-sending the information would have caused H any serious inconvenience in any event.

I can understand that H would have liked its application to be considered more quickly, and was frustrated about having to provide information which Santander already held. But taking everything into account, my view remains that neither the time taken nor the information requested was unreasonable. What's more, the application was dealt with within the timeframe that Santander warned H about in early September 2023.

As I said in my provisional decision, Santander's records show that H's correspondence address was changed using online banking. Mr H believes that the change of correspondence address was, in fact, due to an error on Santander's part. But as I previously said, it's apparent from what Mr H has told us that while the delivery of the statement could have caused a problem if it had fallen into the wrong hands, no harm was, in fact, caused. So even if I'd accepted that the change of statement address for H had been due to an error on Santander's part, I wouldn't be able to require it to compensate H for this aspect of the complaint.

I understand that Mr H believes that Santander's handling of H's complaint should be taken into account in the overall circumstances. But as I explained in my provisional decision, complaint handling isn't a regulated activity, and so doesn't fall within our jurisdiction. It's not something we have discretion to look at. We simply don't have the power. As I said in my provisional decision, if H would like to accept the £300 that Santander offered to apologise for its complaint handling, it should contact Santander directly. But I make no finding on that aspect of the complaint.

Finally, I acknowledge that Mr H believes that the complaint has similarities to another case previously considered by this service. But as Mr H is aware, we consider each case on its own merits. I realise that Mr H has put a lot of time and effort into bringing this complaint, and I'm sorry to disappoint him, but having considered the further comments and evidence that H has provided, my view remains that I can't fairly uphold this 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 H to accept or reject my decision before 26 September 2024.

Juliet Collins
Ombudsman