

The complaint

Mr B complains that Santander UK Plc failed to protect his account.

What happened

Mr B explained that he received notification from Santander that someone had changed the phone number linked to his account. When he contacted Santander about it, they removed the new phone number and returned it to Mr B's original one.

Mr B wanted to understand how someone could have passed Santander's security in order to change some of his details. Santander carried out an initial investigation into what had happened.

A few days later, Mr B noticed a number of transactions had been made from his Santander credit card which he didn't recognise. He again contacted Santander who blocked his card and froze the account. Santander re-issued new cards.

Mr B raised further concerns about how his account had been compromised and why it hadn't been blocked when he first reported the change to his phone number.

Santander looked into the situation again and didn't think they had made any error. Mr B complained about how Santander had failed to protect his account and believed they'd contributed to the exposure of some of his personal information.

Santander investigated his complaint and refunded those transactions that Mr B didn't recognise. They didn't accept they were responsible for revealing information about Mr B because during the security process, the unknown third party was able to answer various questions asked by Santander, indicating they already knew certain information about Mr B and his account.

Mr B remained unhappy with how they'd treated him and brought his complaint to the Financial Ombudsman Service for an independent review. Both parties were asked for information about the complaint and Santander indicated they wished to offer a settlement to Mr B for the way they'd handled his situation.

They recognised they should have blocked his account and re-issued the cards when Mr B first notified them that an attempt had been made to change his phone number. Santander apologised and offered £150 for the distress and inconvenience they caused. Santander stated they hadn't found any evidence to support Mr B's assertion that they'd revealed personal information about him to an unknown third party.

Mr B didn't accept their offer and commented it wasn't even comparable to minimum wage given the hours he'd spent on the phone dealing with the problem.

Mr B was particularly concerned about Santander's security procedures and the use of their voice recognition system. He remained of the opinion that Santander were responsible for providing confirmation of his personal details to the unknown third party through their security procedures. He remained concerned about information they had obtained about him.

The investigator considered the information provided by both parties and concluded that Santander's offer of £150 was fair and reasonable. Also, their refund had ensured that Mr B had been put back (financially) into the position he was in before the disputed transactions

had taken place. It was acknowledged that Santander had failed to block the account earlier, but regarding Mr B's personal information, it wasn't clear how the unknown third party had obtained Mr B's details, but the investigator didn't think that Santander were responsible for revealing it.

Mr B disagreed with the investigator's recommendations, stating that he didn't think it was Santander who had revealed the information, but their security procedures had given the unknown third party the *"final puzzle that allowed them to start committing fraud..."*

Mr B confirmed he'd not received any payment from Santander. He also wanted his concerns regarding the security processes considering (particularly around voice recognition). Mr B said he'd been told by Santander that the unknown third party had passed the voice recognition security procedure, allowing them access to the account. Mr B also didn't think that his concerns had been taken seriously.

As no agreement could be reached, the complaint has now been passed to me for a decision.

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.

Mr B was unfortunately the victim of the theft of his personal information. The unknown third parties used that information to change Mr B's details on his Santander account. I understand Mr B thinks his issues haven't been taken seriously. So, I wanted to assure him that his complaint has been taken seriously and his concerns have been investigated. I've then gone on to consider all the evidence based on an impartial review of the complaint.

My role isn't to dictate to Santander what they must do with their security processes, but to assess whether Mr B was treated fairly in relation to the specific circumstances he found himself in.

Having reviewed the evidence, it's apparent that Santander had the opportunity to block any further attempts to use the account, including blocking the card when Mr B first notified them about the change in phone number. They later accepted this and made an offer to Mr B for £150 for the distress and inconvenience caused.

Mr B believes the unknown third party used Santander's voice system to pass security. The evidence presented by Santander doesn't show this, rather they had other personal information they gave to Santander to satisfy their security process. I understand Mr B's concerns about Santander's procedures and that they somehow provided confirmation to the unknown third party about the details they held about him. I haven't seen any evidence to support this, and it's apparent the unknown third party already knew information before they called Santander pretending to be Mr B.

I can't know where they obtained this type of information and as they were already in possession of it, I don't think there's evidence to support Mr B's assertion that Santander enabled the fraud by confirming the information provided to them during the security questions. Put simply, if they hadn't already obtained those details prior to their first call to Santander, they would have been unable to answer the security questions, so I don't think it's reasonable to hold Santander liable for this.

Santander accepted that those payments disputed by Mr B were unauthorised and ensured they were either refunded or removed from his account. This was an appropriate action for them to take and ensured Mr B wasn't out of pocket due to the misuse of his account.

Mr B declined Santander's offer of £150 and believed he should receive more compensation, referring to a cost per hour related to the time he spent on the phone dealing with the matter. It's clear that Mr B had to commit a number of hours to sorting this out and I accept some of that was due to Santander's lack of action, but any redress I recommend is based on the impact rather than calculated as a cost per hour basis. I think it worth reiterating that it was the unknown third party who initiated the trouble caused to Mr B.

Overall, I accept Mr B's situation was made worse by Santander's failure to act early and I don't underestimate the worry caused by such an act to obtain someone's personal information. But it doesn't appear that the loss of that information was related to Santander's actions, so I think their refund and later offer of £150 compensation was both fair and reasonable in the circumstances.

Mr B may consider contacting CIFAS <https://www.cifas.org.uk/pr> to assess whether a protective marker may assist him in regard to the wider concerns he has about the use of his personal information.

Mr B may also wish to discuss his concerns with the Information Commissioners Office <https://ico.org.uk/> if he believes that Santander breached their responsibilities concerning his private information.

My final decision

My final decision is that I uphold this complaint against Santander UK Plc and they're instructed to settle it as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 September 2024.

David Perry
Ombudsman