

The complaint

Mr F complains that Santander UK Plc (“Santander”) incorrectly told him the funds held within his account were his to spend resulting in him having to pay the money back. Mr F is unhappy with the service received by Santander regarding this.

What happened

Mr F holds a bank account with Santander. Mr F visited a branch of one of Santander’s agents to withdraw money from his account. Unfortunately, the withdrawal Mr F made was processed incorrectly as a deposit and cash was given to Mr F of £241.65 leaving a cash shortage of the agents branch of £483.30.

Mr F noticed there was a surplus balance more than he expected in his account and so between 6 and 9 May 2024 Mr F made multiple calls to Santander to query whether the money in his account was his and he was assured by Santander’s advisors it was.

Following this when Mr F attempted to withdraw the funds at Santander’s agents branch, he was told that he owed money which led to an incident where the police were called to try and resolve the dispute.

Santander sent Mr F a letter on 10 May about the mis-key error which led to the incorrect processing of his withdrawal and a manual adjustment was made on 24 May leaving Mr F in debt.

At which point Mr F raised a complaint with Santander as he had been told he could use the money held in his account and wouldn’t be charged. Santander upheld Mr F’s complaint and agreed it had provided him with misinformation, apologised and compensated him £250 (paid into his savings account) for the distress and inconvenience this caused.

Mr F was unhappy with this and so brought his complaint to this service. Mr F wants the funds returned and to be compensated £500.

One of our investigators looked into Mr F’s concerns and thought that Santander’s mistake had left Mr F in a significantly disadvantaged position and thought Santander should compensate Mr F an additional £250 for the error as Mr F had done all he could to mitigate the potential financial loss and his mental health has suffered as a result.

While Santander agreed with our investigator’s recommendations, Mr F hasn’t and has asked for an ombudsman’s 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.

I hope that Mr F won’t take it as a courtesy that I’ve condensed his complaint in the way that I have. The circumstances that gave rise to Mr F’s complaint are well known by both parties and so I do not see the merit in repeating them in detail here.

I understand Mr F wished to speak to the deciding ombudsman prior to the issue of a decision. But having carefully looked at all the information provided and listened to the call recordings between Mr F, Santander and this service, I'm satisfied I've enough information to issue a decision on his complaint without speaking to Mr F personally and hopefully bring this distressing matter to an end for him. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

Mr F's complaint stems from the incorrect processing of a withdrawal made from his account. When Mr F queried on multiple occasions whether the funds held in his account were his, Santander misadvised him they were which ultimately resulted in Mr F's account becoming overdrawn when the mistake was corrected as he'd spent or transferred the funds he was incorrectly told were his.

Mr F has submitted further complaint points to this service, but I should make it clear my decision only deals with Mr F's complaint regarding the administrative error in processing Mr F's withdrawal and the misinformation provided around this.

Santander have already accepted it make an error and credited Mr F account with £250 in recognition of this. So I don't need to make a finding here. What I have to do is decide whether the compensation Santander has agreed to pay is enough to put things right. And I don't think it is.

Mr F is vulnerable and suffers from a number of mental health conditions of which he has made both this service and Santander aware of. So when considering an award for distress and inconvenience I've thought about how Santander's mistake might have impacted someone in Mr F's position.

And having done so, I'm in agreement with our investigator that although Mr F didn't suffer a financial loss from Santander's mistake – indeed he had access to funds he wasn't entitled to – that despite this he has been left in a financially disadvantaged position causing undoubtable stress and anxiety. Despite doing the right thing and checking the funds in his account were his to spend, Mr F was repeatedly misadvised they were. I think Mr F was entitled to rely on this advice and so I don't think it is fair that he was left in the position he was.

And so I'm in agreement with our investigator that to put things right Santander should compensate Mr F an additional £250 as this will bring the total compensation to an amount where Mr F can repay the debt. I understand Mr F doesn't accept this compensation is enough, but I'm not persuaded that any amount above this is warranted as Mr F has had use of funds that he wasn't entitled to and it was his choice what to spend them on - including repaying his debt and our role isn't to punish or penalise the businesses we cover.

So it follows that I uphold Mr F's complaint and Santander should compensate Mr F a further £250 on top of the £250 already paid bringing the total compensation to £500.

My final decision

For the reasons I've explained, I uphold Mr F's complaint and direct Santander UK Plc pay Mr F a further £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 16 October 2024.

Caroline Davies
Ombudsman