

## The complaint

Miss G complains Santander UK Plc lent to her irresponsibly. She's also unhappy with the level of customer service they provided following her application for the loan.

## What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

Having considered everything, I'm upholding Miss G's complaint – albeit not as she hoped. I'll explain my reasoning below.

Before I detail my decision on this complaint, I want to assure Miss G that I've reviewed and considered all of the complaint points she's raised. However, as we're an informal alternative to the Courts, I am not required to explicitly comment on every point she has raised. Rather, I've considered everything to understand the crux of her complaint and reason my decision accordingly.

### Irresponsible/unaffordable lending

Miss G complains Santander lent to her irresponsibly when they approved the following loan:

Date	Loan amount	Total repayable	Loan term	Monthly repayment
20 December 2023	£8,000	£10,157.04	24 months	£423.21

We've set out our approach to complaints about irresponsible and unaffordable lending on our website. And I've used this approach to help me decide Miss G's complaint.

Santander were expected to carry out reasonable and proportionate checks so they could understand if any lending would be affordable for Miss G. The relevant rules don't set out specifically what constitutes reasonable and proportionate checks. However, relevant checks should include things such as a customer's income (over the full term of the loan), and their outgoings. And these checks should be reasonable and proportionate to the amount of credit being provided, the amount of the repayments, and the term of the loan.

When approving Miss G's loan, Santander say they relied on the information she provided in her application, data from the Office of National Statistics (ONS) and credit bureau checks. So, I've considered the information they gathered to determine if I think those checks were

proportionate.

Miss G's application said she earned £2,000 a month and was paying £1,000 a month towards other credit commitments. Santander assessed six months' worth of Miss G's account turnover to validate her income – and this confirmed the £2,000 a month figure she'd provided. They also used ONS data to estimate Miss G's monthly expenditure at £1,798 per month – and this figure included the monthly repayments for the loan she was applying for. So, Santander's checks showed Miss G would have a disposable income of approximately £200 a month if the loan was approved.

I've also seen the credit checks showed Miss G had external debt of £380. And as this was a relatively low figure, Santander was satisfied the loan would be affordable for Miss G.

Like our Investigator, I'm not minded to agree these checks were proportionate. I say this because I consider an estimated disposable income of around £200 a month is quite low when you consider Miss G was asking to borrow £8,000, with monthly repayments of over £400. I've also noted that the credit checks didn't show any information about the way Miss G was managing her other accounts i.e. if she had any defaults, CCJs, and late/missed payments. I do think this missing information would have been necessary to consider before Santander could confidently decide to lend to Miss G. Without it, I can't agree they had a clear enough picture of her financial circumstances at the time.

Given the above, I consider Santander should have carried out additional checks. I can't know for sure what these additional checks would have shown. However, I do consider reviewing Miss G's credit file and bank statements from the time, ought to give an indication of the information Santander would have been able to obtain.

Miss G helpfully provided us with a copy of her credit report. On this I've seen that a few months before applying for the loan, she had one payment in arrears. However, the account had been brought up to date. While late payments can be indication a consumer may struggle if they're given further borrowing – that alone isn't enough for me to say the loan wasn't affordable.

While Miss G has sent us some copies of her statements, she's not provided us with copies of all relevant statements to help with our investigations. And of the statements we have been provided, some of the information has been redacted. This means I have been unable ascertain a clear picture of what Miss G's financial circumstances were at the time of her application. But from what I've reviewed in the statements Miss G sent to us, I've not seen anything in them that would indicate she might be in financial difficulties or couldn't afford the loan. So, taking everything into consideration, I'm not persuaded Santander treated Miss G unfairly by approving her loan application.

### Spelling of Miss G's name on the loan application

Miss G complains Santander spelt her name incorrectly on her loan application, and she was only approved for the loan when the incorrect name was used.

Santander has sent us screenshots of the application process Miss G would have followed when applying for the loan. From what I've seen, it looks like information such as a customer's name, would need to be populated by the applicant themselves. I've not seen anything to suggest Santander inputted this information or had the ability to amend that information. So, on the balance of probabilities, I'm not persuaded it was Santander who spelt Miss G's name incorrectly. I've also not seen any evidence to show there were any system issues at the time that may have resulted in this error. So, it's for this reason, I'm not persuaded Santander's actions contributed to the incorrect spelling of Miss G's name.

The information I've been provided shows Miss G had made one application. This is supported by her credit file that only shows one search made by Santander (with the incorrect spelling of her name). As I've not seen any other searches from Santander on her credit file, I've not seen enough to persuade me that Santander declined other applications with the correct spelling of Miss G's name. In turn, I don't agree Santander only approved the loan due to the incorrect spelling of Miss G's name.

While I don't think Santander were at fault for the miss-spelling of Miss G's name – or that this mistake was the only reason her loan was approved, I do think there was more Santander could have done once it was aware of this issue.

Miss G advised Santander about the difficulties she was having logging into her account. To fix this problem, her two customer profiles needed to be merged. However, Santander didn't explain this to Miss G until mid-January 2024 – three weeks after they ought to have been aware of the problem.

### Level of customer service provided by Santander

Miss G applied for the loan because she wanted to sign up for a course, and this needed to be done by 26 December 2023 in order to get a discounted price.

Miss G applied for the loan on 18 December 2023, meaning she had 8 days before the discounted price would no longer be available. I do think this is somewhat relevant given this was over Christmas period, so it wouldn't be unusual for things to take a little longer than usual due to the bank holidays.

The loan was approved two days after Miss G's application, and Santander's system notes do indicate she promptly tried to log in to her account on that same day, and the following day, but wasn't successful until 22 December 2023. And this was due to the problems stemming from the incorrect spelling of Miss G's name.

During this period, Santander's advisers incorrectly told Miss G she couldn't sign the loan agreement because the loan had been declined. This mistake, and Santander's delay in identifying the incorrect spelling of Miss G's name contributed to things taking longer for Miss G to receive her loan funds. So, when they were only received after the discounted price had expired, I can understand why Miss G was left disappointed and frustrated.

Miss G didn't do the course, but she did spend the funds from the loan. And while I appreciate she was disappointed about the course, I don't agree that means she no longer is required to repay what she borrowed. Ultimately, Miss G took out the loan knowing she would need to repay it, and as she's used the funds, this is something she's still obligated to do. However, if Miss G is struggling with making her repayments, she should discuss this directly with Santander. I would then expect them to work with Miss G and discuss her options regarding repayment.

Santander made some mistakes, such as those detailed above, and the way they communicated with Miss G about her concerns. And these mistakes happened despite Miss G consistently trying to speak with Santander to get things moving, and resulted in her having to spend more time than we'd expect to try and resolve things.

Santander's mistakes caused Miss G understandable distress and inconvenience, and Santander had previously offered to pay Miss G £150 in recognition of their mistakes. But I don't think that award goes far enough. Miss G has explained the importance of the course, and the level of stress and anxiety Santander's mistakes caused her. And I agree with our Investigator that a total award of £350 is fair and reasonable in the circumstances.

For reasons above, I'm upholding Miss G's complaint.

### **My final decision**

My final decision is that I'm upholding Miss G's complaint about Santander UK Plc.

To put things right, Santander UK Plc should pay Miss G £350 in recognition of the distress and inconvenience she experienced as a result of their mistakes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 28 April 2025.

Sarrah Turay  
**Ombudsman**