

## **The complaint**

Mr B has complained about the way Santander UK Plc handled fraud.

## **What happened**

Both sides are most familiar with the case, so I'll summarise things in brief.

Fraudsters stole Mr B's identity, set up a mail redirect, opened a Santander account in his name, and linked it to his existing account. They used the mail redirect to receive a new card and PIN, and used the card and PIN to change the contact details on file.

Mr B discovered this and reported it to Santander. But Santander initially failed to block the accounts, so the fraudsters were able to transfer away £400 from Mr B's existing account. Mr B got back in touch the following day, and this time Santander did block the accounts. But Santander sent out a new card despite Mr B asking them to wait until he'd sorted out the mail redirect. Thankfully, Mr B received the new card instead of the fraudsters.

Mr B complained. Santander initially missed a key part of his complaint and had to re-do their complaint response. They apologised, fed things back to the relevant areas, closed the fraudulent account, removed it from Mr B's credit file, made a protective registration for him on the national fraud database, refunded the £400 loss, and paid him £300 compensation.

Our Investigator looked into things independently and found that Santander had already resolved their errors fairly. Mr B didn't agree. He especially wants us to comment on and/or change Santander's processes. The complaint's been passed to me to decide.

## **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.

First of all, I do appreciate that Mr B was subjected to a substantial incident of fraud. I can see the fraudsters caused him a great deal of distress, for which he has my sympathy. It must have been most distressing to be targeted by fraudsters like this, and it cannot have been an easy time for Mr B. I'm grateful to Mr B for being open and candid with us about how this matter made him feel.

I do need to clarify what we can and cannot do. We are an informal dispute resolution service. We are not the regulator – that's the Financial Conduct Authority (FCA). So we're not here to set or change banks' processes. I'm therefore not in a position to address Mr B's comments on what he feels Santander's processes should change to. His suggestions would be better directed toward the FCA, though they may not comment on his individual situation. I will keep my decision focused on what I can address – namely how Mr B's individual situation should be resolved.

As part of that, I have read and taken into account everything which both sides have said and provided. But as an informal dispute resolution service, tasked with resolving cases quickly and with minimal formality, I won't necessarily comment on every single point both sides made. Instead, I'll keep my decision focused on what I've found to be the key points. If Mr B would like his case to be looked at on a strict point-by-point basis, as a court might, he is free to reject my decision and take Santander to court.

Finally, I must clarify that in this case between Mr B and Santander, I can only consider what happened on Mr B's account. That means I cannot, for example, consider what happened on his family members' accounts, nor assess any dispute between his family members and Santander in this case. I also cannot send Mr B details of the fraudsters, which includes camera footage of them. And in any case, I don't find that information to be material to the question of how Santander should put things right for Mr B.

Turning to the matter at hand, I don't necessarily agree with *all* of Mr B's complaint points – for example, it was fine for Santander to email him even if he hadn't signed up for paperless statements. But I do agree that Santander got things really wrong in a number of ways, such as linking the fraudsters' account to Mr B's, failing to block the accounts when he initially reported the fraud, and sending out a new card before he'd confirmed the mail redirection had been lifted. And I can see they didn't initially get to grips with his complaint. I do understand why Mr B feels so strongly about the matter.

It's worth keeping in mind that it's the fraudsters who committed the fraud, and so it's the fraudsters who are primarily responsible for the fraud and the resulting stress. That's a key point here, because even if Santander had done everything right, it still would have been distressing for Mr B to be targeted by criminals like this. In all likelihood, Mr B still would've faced anxiety about how he had been pursued, he'd still have needed to sort out things like the mail redirect, his account would still need to be blocked while Santander investigated and made sure it was secure, he would still likely have needed to verify his identity, he would still have needed to spend time talking to Santander or other parties, and so on. So there's only so much I can hold Santander responsible for – for example, the extra trouble and upset they caused by failing to block the accounts.

When a business gets things wrong, instead of going over what their processes should or should not be, my role is to see that they put things right. Here, I'm glad to see that Santander have already refunded the money that was taken from Mr B in full, closed the fraudulent account, removed it from his credit file, corrected the details on his account, apologised, given feedback to the relevant areas, and made a protective registration for Mr B at the national fraud database to help prevent this from happening again. That's all in line with what I would have told them to do.

In cases like these, we also often tell businesses to pay compensation, to acknowledge their errors and the impact they had. In terms of the amounts, I must reiterate that we're an informal dispute resolution service. We're not the regulator, and we're not here to issue fines or to punish businesses. Further, our compensation awards are not generally based on people's salary or professional rates. Santander were not Mr B's customer and he wasn't providing a professional service to them – this was a personal matter of his. Perhaps more importantly, if we based personal compensation on professional rates, it could suggest that one person's time is intrinsically worth more or less than another's, which might not be fair or reflect the real impact of the error on the complainant. And while I appreciate Mr B's worry about what losses he might've suffered had he not called again, we only award redress for losses which actually happened, and not for losses which could've happened but didn't.

Here, I can see that Santander caused Mr B some real stress, upset and worry over multiple weeks, which required notable effort on his part to sort out. Taking into account the impact Santander's errors had on Mr B, along with the guidelines for compensation which I must be consistent with, I find that the £300 compensation they've paid is fair to put things right.

Finally, I understand Mr B would like clarity on whether the branch staff might have verbally given out his number to the fraudsters, and I appreciate why he thought to ask about this. It's not possible to categorically know that now – the verbal conversation wasn't recorded and it was too long ago for the staff to reasonably remember. In any case, given the fraudsters already had enough of Mr B's details to set up a mail redirect and fill out a bank application, it's not likely they particularly needed to get his phone number from Santander. And Santander have paid for a protective registration on the fraud database for Mr B, which will help protect him in case a fraudster tries to use his details. So I think Santander have already done what they needed to do there.

### **My final decision**

For the reasons I've explained, I find that Santander UK Plc have already resolved the complaint fairly. I do not make any further award.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 November 2024.

Adam Charles  
**Ombudsman**