

The complaint

Mrs N complains that Santander UK Plc has not credited her account when a payment she sent was recalled.

What happened

On 26 August 2022, Mrs N opened a savings account with a business I'll call K. She initially deposit £1,600 cash into the account.

On 31 August 2022, Mrs N says she paid a further £600 in cash into the account and on the same day she asked a Santander branch to transfer a further £600. Santander made a mistake with the transfer – so a further £600 transfer was made.

But Mrs N says that while her account statements from K show the first £600 had been recalled, it wasn't credited back to her Santander account. So, she complained to Santander.

Santander said it had no record of K refunding £600 to her account and it referred her back to K. Unhappy with the outcome, Mrs N referred her complaint to this service and one of our investigators looked into it.

Having made enquiries with Santander, the investigator was able to establish that the first £600 transfer had been refunded to Mrs N's account on 31 August 2022 - from Santander's internal account. So, he was satisfied that Mrs N's account wasn't missing £600.

But he didn't think Santander had clearly explained to Mrs N what had happened, and he recommended that it should pay Mrs N £250 in recognition of the distress and inconvenience caused.

Santander accepted the investigator's recommendation. Mrs N didn't agree. So, the complaint has 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.

Having done so, I've reached the same overall conclusion as the investigator for largely the same reasons. I know Mrs N will be disappointed as she believes £600 is still missing - and I can understand why. The information she received from Santander - when she raised her complaint, didn't provide a full explanation about what had happened.

But, like the investigator, having reviewed all the information available I'm satisfied Santander has refunded £600 to her account. I'll explain why.

Firstly, in her correspondence Mrs N has suggested she paid in £600 cash directly into her account with K on 31 August 2022. And that later the same day she asked Santander – while in branch, to transfer another £600 to her account with K. But the statements Mrs N has provided relating to her account with K don't support this. Rather, the statements show

that the £600 cash deposit was made into her Santander account. This is recorded under the reference '*Cash paid in at Tonbridge*' on her Santander statement. Taking both statements into account, I'm satisfied that Mrs N's cash deposit was paid into her Santander account not her account with K.

However, I've can see that Mrs N's statement for her account with K does show two £600 transfers having been credited to her account. In this respect, Santander has explained to this service that when it first initiated Mrs N's transfer request, it recalled the first payment, and a second payment was sent. It said this was due to the wrong details having been input on the first payment.

It's not clear why Santander thought the details were wrong on the first payment as Mrs N's statement for her account with K shows two £600 transfers having been received. So, I can understand why there has been some confusion here. However, I'm satisfied one payment was recalled as the statement also shows £600 being debited under the reference '*Payment recall*'.

But Mrs N says that £600 wasn't credited back to her Santander account on the date K said it was. I've seen that K told Mrs N the funds had been returned to Santander on 15 September 2023, so I can see why she is concerned that her Santander statement doesn't show £600 being credited on 15 September. But Santander says when it processed the second transfer on 31 August 2023, it do so by crediting Mrs N's account with £600 from one of its own internal accounts. So, when the payment was returned by K it was transferred back to its internal account not Mrs N's account.

And Mrs N's Santander statements show that her account was credited under the reference '*Transfer from IPA refund, reference 11526*' on 31 August 2023. So, while Mrs N's account doesn't reflect a credit being received directly from K, I'm satisfied that the transfer from Santander's 'IPA account' relates to the recalled transfer. Overall, I'm satisfied that Mrs N's Santander's account was refunded with the first £600 transfer debited to her account.

But, as mentioned above, what happened wasn't clearly explained to Mrs N and she was left to worry that £600 was missing from her account and she also had to contact K as well as Santander to try and resolve her concerns. And ultimately, she had to contact this service.

So, I find that Mrs N was caused unnecessary distress and inconvenience. The investigator recommended that Santander should pay Mrs N £250 compensation in recognition of this which Santander has agreed to pay. Overall, I find this fair and reasonable in all the circumstances of this complaint.

Putting things right

Santander UK Plc should pay Mrs N £250 (if it hasn't already done so), in recognition of the distress and inconvenience caused to her.

My final decision

For the reasons given above, I uphold this complaint Santander UK Plc should now settle the complaint as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 30 October 2024.

Sandra Greene
Ombudsman