

The complaint

Mrs B complains that Santander UK Plc did not honour the interest rate it offered when she opened a one-year fixed term bond.

What happened

Mrs B says that, as an existing Select customer, Santander had emailed her several times offering an interest rate of 5.25% on a one-year fixed term bond. She says that, when a further email arrived on 4 December 2023, she decided to take up the offer and clicked on the attached link. She says Santander acknowledged the application, confirmed the bond was open and told her she had until 11 January 2024 to fund the account. Mrs B says she removed funds from other, lower paying, savings accounts and called Santander on 9 January 2024 to fund the new account. When the details appeared online Mrs B says she realised the interest rate quoted was 4.6% and contacted Santander. She says that, although Santander apologised for its error it would not honour the 5.25%. Mrs B adds that Santander had over a month between her opening the account and funding it to tell her about the interest rate change.

Santander says the 5.25% interest rate went off sale on 3 December 2023 and so it could not rectify the rate on the account. However, it offered Mrs B £75 for the inconvenience of receiving an incorrect marketing email.

Mrs B did not accept Santander's offer of £75 as she says both she and her husband (who had also invested in a one-year bond) had lost significantly more than that.

Following the referral to this service, Santander offered Mrs B a further £25.

Our investigator found Santander's offer to be fair. He said that the Key Facts document would have shown the correct interest rate of 4.6% and Mrs B would have ticked a box to confirm she'd read it before proceeding to open the account.

Mrs B responded to say, in summary, that £100 is not acceptable for the way in which she had been misled. She added that her husband's identical claim had been settled and Santander had paid him the interest he lost.

My provisional findings

I issued a provisional decision to Mrs B and to Santander on 2 October 2024 and I've summarised my findings below:

I was persuaded that Mrs B would not have taken out the one-year fixed term bond had she known the interest rate was 4.6% because:

- Mrs B had other savings accounts and would have known that the 5.25% rate offered was competitive;
- Mrs B says she moved money out of accounts that were paying more than 4.6% to fund the new bond;

I was also satisfied that the rate of 4.6% was not made clear during the application process and, given Mrs B already had the rate of 5.25% in writing, I did not expect her to actively seek out the interest rate before completing the application.

So, given that I considered it more likely than not that Mrs B would not have taken out the bond at 4.6%, it followed that I found that she had suffered a financial detriment as a result of Santander's error. Therefore, I thought a fair and reasonable resolution was for Santander to compensate Mrs B with the interest she'd lost, in addition to the £75 it paid her for her inconvenience.

Santander responded to accept my provisional decision and Mrs B said she had no further information.

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.

As Santander accepted my provisional decision and neither party provided any additional information, I see no reason to depart from it.

My final decision

My decision is that I uphold this complaint. Santander UK Plc should calculate the additional interest Mrs B would have received had the money been invested at 5.25% and pay this to her in addition to the £75 she has already received.

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

Amanda Williams
Ombudsman