

The complaint

Ms R is unhappy that Santander UK Plc incorrectly told her that she was eligible to receive a current account switching incentive.

What happened

Ms R completed an online application to switch her current account to Santander as she wanted to take advantage of a switching incentive that Santander were offering, wherein eligible switchers received a payment of £185.

A few days later, Ms R called Santander and was told she would qualify for the incentive if she met the rest of the incentive criteria, which for Ms R meant that she needed to set up one further active direct debit on the Santander account. Following this conversation, Ms R set up another direct debit and so believed that she had qualified for the incentive payment.

However, Ms R noticed that the £185 incentive payment hadn't been paid into her account. And when she contacted Santander about this again, she was told that she didn't in fact qualify for the incentive payment. This was because Ms R had received a switch incentive payment from Santander at an earlier time, and the terms of the incentive included that it was only open to consumers who hadn't previously benefited from any earlier incentives.

Ms R wasn't happy about being given incorrect information by Santander and felt that Santander should honour the incorrect information they'd given her about her eligibility and should pay her the £185 incentive payment. So, she raised a complaint.

Santander responded to Ms R and confirmed that she wasn't eligible to receive the incentive payment. However, Santander apologised to Ms R for the incorrect information about her eligibility that she'd been given, and they paid £30 to her as compensation for any trouble or upset she may have incurred as a result. Ms R wasn't satisfied with Santander's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Santander should be asked to pay an incentive payment to Ms R, given that she wasn't eligible to receive it. And they felt the apology and £30 payment Santander had made to Ms R already fairly compensated Ms R for the false expectation about her eligibility that she'd been given. Ms R didn't agree, and so the matter was escalated to an ombudsman for a final 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.

Santander have accepted that when Ms R spoke with one of their agents, a few days after instructing the current account switch to Santander, that she was incorrectly told that she would be eligible for the £185 incentive payment if she set up another direct debit on her Santander account. And Ms R feels that Santander should fairly be instructed to honour the incorrect information that they gave to her and should pay the £185 into her account.

However, when Ms R called Santander and received the incorrect information, she had already instructed the account switch to Santander a few days previously. This means that it wasn't the case that Ms R instructed the account switch to Ms R under a false expectation of her eligibility, because she had already instructed the account switch before she was given that false expectation by Santander. And information about the eligibility criteria for the incentive was available to Ms R on Santander's website, before she instructed the switch.

Additionally, I don't agree that it would be fair to instruct Santander to pay Ms R the £185 incentive payment when she wasn't eligible to receive that payment.

To use an extreme example, if someone takes a lottery ticket into a store and is incorrectly told that their ticket has won the jackpot, it isn't the case that they've won the lottery, and the store wouldn't be expected to pay them the jackpot amount. What would have happened in that scenario is that the store would have given the ticket holder an incorrect expectation, for which I feel the store would reasonably be expected to apologise for.

Similarly, in this instance, the fact that Ms R was incorrectly told that she was eligible to receive the incentive payment doesn't change the fact that she was ineligible to receive it. And so, I wouldn't expect Santander to pay the incentive payment to Ms R.

But I would expect Santander to apologise to Ms R for giving her an incorrect expectation of her eligibility. And I'd also expect Santander to consider the impact on Ms R of the incorrect information she was given and to potentially compensate her for it.

Besides the incorrect expectation that Ms R was given, Ms R was also inconvenienced by setting up a direct debit on her account which she's said she wouldn't have set up otherwise. And Ms R also had to contact Santander again when she didn't receive the incentive payment that she was expecting to question them about it.

In their response to Ms R's complaint, Santander apologised to Ms R for what happened and paid £30 to her as compensation for the trouble and upset that she's incurred. This feels fair to me, given the relatively minor impact on Ms R of Santander's mistake, as I've described it above. And I can confirm that £30 is commensurate with what I might have instructed Santander to have paid to Ms R here, had they not already done so.

All of which means that I won't be upholding this complaint or instructing Santander to take any further action. And this is because I'm satisfied that the response that Santander have issued to Ms R's complaint, including the apology and payment of £30 to her, already fairly compensates Ms R for the incorrect expectation she was given and the trouble and upset she incurred because of it.

I realise this won't be the outcome Ms R was wanting, but I hope that she understands, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 11 December 2024.

Paul Cooper
Ombudsman