

## **The complaint**

The trustees of a charity which I'll refer to as F, complains that Santander UK Plc were responsible for significant delays when the bank was asked to change the signatures on F's account mandate

## **What happened**

The trustees have told us that:

- In August 2022, the members of F's committee resigned, and new members were appointed.
- Later, in July 2023, the committee agreed the new members who'd now become signatories on F's account (the Account) with Santander.
- Further to this, visits were made to the bank to provide appropriate documents for the new signatories – including passports and utility bills. The documents were also emailed to Santander. However, in the months that followed, despite chasing the matter up with Santander, the changes were not carried out.
- Subsequently, a new chair of F's committee was appointed. In April 2024, the new chair of the committee took charge of the matter. She made a dozen phone calls approximately to the bank to get the changes completed. Many months later, and after complaining to the bank, on 3 September 2024, the signatories were eventually updated.
- Santander's delays were excessive and caused significant worry and stress. In addition, F suffered financial loss. In particular because during the period of the delay, the trustees were unable to move the proceeds of the Account - approximately £28,000, to another account elsewhere that attracted better rates of interest.

Santander's response to the complaint – in summary was that:

- Although in July 2023 they did receive the relevant form from F to change the mandate, it was out of date, having seemingly been completed in 2021/22. So, they asked for new forms to be completed instead. But the bank continued to experience further issues with F – including:
  - Returned forms still not properly completed.
  - The omission of relevant information from the committee minutes.
  - The provision of incomplete identification information for the new signatories.
- In August and September 2023, the bank contacted F again to put right these issues. However, the former committee chair and treasurer decided they were unprepared to deal further with the bank. Afterwards, nothing further was heard from F until the appointment of the new chair of the committee.
- They didn't do anything wrong when they tried to obtain correct information about F as they were doing so to discharge their Know Your Customer (KYC) legal and

regulatory responsibilities.

- Later, however, there were some delays on their part. In particular, on 12 August 2024 the bank agreed it would proceed to change the signatories. But this didn't happen until 3 September 2024, largely because the relevant team experienced a fault within their systems which prevented them from amending the signatories.
- By way of an apology, for the time, distress and inconvenience they'd caused to F, they credited the Account with £200.

The trustees were unhappy with Santander's offer and referred F's complaint to this service.

When Santander gave us their formal response to the complaint, they also offered to pay an extra £100 to F for the distress and inconvenience they'd caused; meaning they were now intending to pay F total compensation of £300.

But when this was put to the trustees, they still didn't think the offer went far enough and so our investigator considered the complaint. In summary, he concluded that:

- Santander's attempt to update the mandate on the Account should be considered over two separate periods ((a) July to September 2023 and (b) April to September 2024.
- But when both periods are considered, he wasn't persuaded that Santander was responsible for the majority of the delays as F suggested. Especially because the communication between F and Santander largely went quiet between September 2023 and April 2024. He was persuaded, and indeed noted the trustees' acknowledgement, that this was because, F's former chair and treasurer decided to disengage with Santander.
- There were some delays after April 2024 which Santander have acknowledged. However, he was satisfied that the proposed total compensation of £300 represent fair compensation for the inconvenience F suffered as a result.
- F hasn't provided persuasive evidence of the financial loss, it wishes to claim. Although it submitted that it had planned to open an account with another bank to take advantage of better interest rates, nonetheless it failed to say exactly the rates it could have achieved. Furthermore, looking at the products on offer with the provider F identified, it seemed their current account offers no interest, and the savings accounts in its portfolio require a minimum deposit in excess of the amounts held by F in the Account.

F didn't accept the investigator's conclusions and have responded with further submissions. Those submissions however, largely repeated the arguments the trustees made originally - including in summary that:

- The former committee members spent many hours on the phone with Santander trying to get the change in the mandate. And with the same objective in mind, they made several trips to a bank branch.
- More broadly, if, as Santander maintained, the forms F provided were incorrectly completed, why then did the branch staff omitted to point this out and ask F to amend the forms.
- In relation to lost interest, there was no point wasting energy looking at other bank accounts when the trustees not only couldn't see the Account let alone access the money in it.

## **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.

Where the evidence is incomplete or inconclusive (as indeed some of it is here) I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Both parties agree there was delay changing the mandate on the Account. So, I don't need to make a finding on that.

But Santander and F disagree about the extent of the delay and the compensation that's appropriate for the impact on F. So, I've thought about that.

To begin with, I agree with the investigator that in the circumstances of this case, there were two periods that are relevant for considering the delay in amending the mandate. I'll take the first of those.

### *July to September 2023.*

The bank doesn't deny the trustees' testimony that in July 2023 they submitted the relevant form to the bank to get the mandate changed. But it says it couldn't accept the form and indeed other accompanying documents for the reasons I've noted above.

Although I take the trustees' point, that branch staff could have drawn attention to any errors in the documents, I'm not persuaded this is a pivotal point. I say that because I've seen the correspondence Santander sent to F to highlight the deficiencies in the information it had provided, explain what was needed and the timeframe within which it should be provided.

I also note on 11 August 2023, the bank attempted to reassure F that they needed to observe certain identification requirements which to date, based on the information F had provided so far, they'd been unable to do. In September 2023, also after the bank again received incomplete identification information it wrote again to F to get this corrected.

No doubt this all became very frustrating for the trustees. And as they submitted, the ex-treasurer and ex-chairman of F's committee decided they had had enough and refused to engage further with the bank.

However, it's worth noting that banks in the United Kingdom are strictly regulated and are required to meet certain legal and regulatory obligations – commonly known as KYC obligations. Specifically, in this connection, a bank must ensure that in relation to new and existing customers, they hold correct information for them.

Santander is right therefore, that as part of their KYC obligations, they needed to make sure they held correct information for F. So, I do not think they did anything wrong or acted unfairly when between July and September 2023, they sent a series of letters to F to obtain correct information. And neither am I persuaded, there were any delays on the bank's part during this period.

From September 2023 onwards, the trustees chose not to engage with the bank. But I can't fairly blame Santander for that. I don't blame them in so far as there were delays in getting the process up and running again many months later in April 2024 when the new chair of the committee resumed communication.

*April to September 2024*

Santander acknowledge there was delay in this period. And they've identified systems errors as partly responsible. But the bank has said this was for a short period between 12 August 2024 and 3 September 2024. However, it has given no clear indication about what occurred between April and 12 August 2024. I think that in all likelihood there were avoidable delays in that period and therefore beyond the limited period specified by the bank.

Santander have paid £200 to F already and offered a further £100. I've thought about whether that's fair compensation. In doing so, I've borne in mind the trustees' submission that in terms of the inconvenience caused to F during that period, the chair of the committee had to make around 12 phone calls to Santander to get matters sorted.

We publish information on our website about our approach to awards for non-financial loss'. It's available at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

Having thought about the general framework which this service considers when arriving at compensation amounts for inconvenience as well as applying my own judgement, I'm satisfied that the additional £100 Santander is willing to pay, on top of the £200 already paid represent fair and reasonable compensation for the inconvenience caused to F. I'm not persuaded it should be increased further.

### *Financial loss*

I turn finally to the alleged financial loss that F believes it should fairly be able to recover from Santander. In other words, interest that it might otherwise have been able to earn if, during the period it took Santander to complete the change in the mandate, it had been able to transfer its funds from Santander to another bank.

But for the same reasons the investigator gave, I too don't think it would be fair to require Santander to compensate F for this. More to the point, it doesn't appear from the trustees' testimony that a transfer of the proceeds in the Account was actively being explored at the time. As the trustees explained, there was no point wasting energy looking at other bank accounts when it had no access to the money in the Account. I've seen no persuasive evidence therefore that this was a loss that F did incur.

### **Putting things right**

For the reasons stated above, Santander should pay F an additional £100 for the inconvenience they've caused to F

### **My final decision**

My final decision is that I uphold this complaint and direct Santander UK Plc to settle It by paying F £100 In full and final settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 7 July 2025.

Asher Gordon

**Ombudsman**