

## The complaint

Mr L is unhappy about the way that Santander UK Plc dealt with interest on his savings account.

## What happened

In September 2023 Mr L opened a savings account with Santander. Interest was payable annually on the anniversary of the opening of the account. On 4 April 2024 Mr L asked Santander to close the account. Santander said it would close the account and transfer the balance within 5 working days.

On 5 April Mr L changed his mind and asked Santander to cancel the closure request. Santander replied that the request to stop the closure had been “*completed*” and the account would be reopened within 48 hours.

Santander calculated the interest that was due and on 8 April paid it to him with the balance which was in the account. On 11 April it wrote to Mr L telling him the account had been reopened with a zero balance. Mr L says he didn’t receive that letter as it wasn’t correctly addressed.

Mr L was expecting to receive a further payment of interest in September 2024. When he queried this, Santander told him he was next due to receive interest in April 2025, being the anniversary of the date on which the account was reopened.

Mr L complained to Santander that he’d been financially disadvantaged by the change. He wanted Santander to pay him the interest he thought he should have received in September 2024 plus interest on that sum and compensation. Santander didn’t agree. It said Mr L shouldn’t have asked for the account to be closed if he wanted to receive interest in September 2024.

Mr L referred his complaint to this service. Our Investigator recommended that Santander should pay £100 compensation as it didn’t inform Mr L clearly of the change in the interest payment date. Santander agreed.

As Mr L didn’t agree, the matter has been referred to me.

## 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.

I’ve reviewed the terms and conditions of the account. They state that Mr L was entitled to close his account at any time by notifying Santander and it would then send him the money in the account plus interest. As that’s what Santander did, I think it acted correctly in doing so.

Where I think it let Mr L down was by referring to the request to stop the closure of the account as having been “*completed*”. That implied that the account wouldn’t be closed. Santander has explained that for system reasons it was unable to prevent the account from closing. But a few days later Mr L received the balance on the account plus interest. The account was reopened with the same account details. So at that stage Mr L might not reasonably have been aware of the fact that his account had actually been closed and then reopened. That meant there was a change in the interest payment date to about six months later than the original date because interest would next be paid on the anniversary of the account being reopened.

Mr L only became aware of this in September when he queried why he hadn’t received any interest. At that stage as it’s an instant access account he could once again have closed his account which would have led to interest being calculated up to the closure date.

I appreciate that this has been disappointing and inconvenient for Mr L. It took him some time to get to the bottom of what had happened on his account. Bearing in mind the unnecessary trouble and upset caused to Mr L I think the sum of £100 is appropriate in the circumstances to compensate him for this.

### **My final decision**

For the reasons given above, I uphold this complaint and require Santander UK Plc to pay Mr L £100 compensation for the trouble and upset it caused him.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 3 February 2025.

Elizabeth Grant  
**Ombudsman**