

The complaint

Mr D complains about delays and poor service from Santander UK Plc (Santander) when processing his new credit card application.

What happened

Mr D applied for a Santander credit card in July 2022. The card would entitle him to make 0% balance transfers from other cards.

Santander asked for documentation to be provided before they could process the application but although Mr D provided that in August 2022, they didn't process that information until November 2022 and didn't authorise the account until December 2022. The account was closed by Santander in January 2024 at Mr D's request although he says he made that request in September 2022.

Mr D complained to Santander who accepted there had been unnecessary delays. They refunded account fees and a late payment fee, and they removed that late payment report from Mr D's credit file. They offered Mr D £250 in compensation, but Mr D was unhappy with that redress. He said he'd incurred over £4,000 in interest charges as he'd been unable to make the transfers he wanted to make. He wanted £10,000 in compensation.

Our investigator thought Santander had been reasonable but as Mr D disagreed, his complaint has been passed to me, an ombudsman, to make 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.

I know it will disappoint Mr D, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Santander are obliged to verify a consumer's identity in order to prevent fraud. I can't, therefore, say Santander were unreasonable to request documentation from Mr D before they would approve the account.

However, having received that information in August 2022 Santander didn't process it and approve the account until December 2022 and I think that delay will have caused unnecessary distress and inconvenience to Mr D who was trying to avoid interest charges on his other accounts.

I don't think it would be fair to ask Santander to refund the interest accrued on Mr D's other accounts. That was incurred because of transactions Mr D conducted through other accounts and I think it's fair to suggest it was for him to mitigate those losses.

I do think that Santander should compensate Mr D for the delay as that would have been distressing and I can see that Mr D was doing what he could to comply with Santander's requirements. Santander offered £250 and they refunded account fees and a late payment fee and ensured the late payment wasn't reflected on Mr D's credit file anymore. In the circumstances, I think that was sufficient.

Mr D has explained that he asked to close the account during a call with Santander on 16 September 2022. He's provided phone records that suggest a call was made then but Santander haven't been able to provide a copy of that call. It's Mr D's suggestion that he was trying to close the account at that time, and it may be that the account closure was, therefore, not actioned in time as it didn't happen until January 2024. I'm not persuaded that this evidence suggests Santander need to provide further compensation. If Mr D was trying to close his account in September 2022 it seems to me that the impact of the delay in actioning the account authorisation would have been less than it was when the account was actually closed, later than that.

Overall, I think the redress Santander have offered is reasonable here. If Mr D wishes to accept the compensation payment, he should now contact Santander directly.

My final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 March 2025.

Phillip McMahon
Ombudsman