

## **The complaint**

Mr S complains that Santander UK Plc have failed to return funds he mistakenly transferred to one of their customers in August 2023.

## **What happened**

On 9 August 2023 Mr S made a transfer of £968.86 in error to an account held with Santander. He contacted his bank to seek their assistance in recovering his money. They contacted Santander to request that they ask their customer to consent to Santander debiting their account so that the money could be returned to Mr S.

Santander have told us that having received the request from Mr S's bank they checked the receiving account and confirmed that the payment of £968.86 was received on 9 August 2024. But the money had been moved out of the account shortly after it was received, so they were unable to protect this amount as there was insufficient money in the receiving account.

Santander wrote to their customer on 31 August 2024 asking him to get in touch with them if the payment wasn't meant for him so that the matter could be resolved. They said they'd check his account again in seven days and protect any available funds, up to the full value of the payment received in error. And they'd return any protected funds in 15 days from the date of their letter.

Their letter also stated that if their customer disputed the return of the money Mr S's bank might request his name and address to help Mr S pursue a claim.

Santander received no response to their letter regarding return of the payment.

Mr S wrote to Santander on 6 March 2024 raising concerns that his money hadn't been returned. They replied on 20 March 2024 stating that they'd received a recall request from Mr S's bank regarding his money. They said they'd responded saying they'd use their best endeavours to see if the recipient had the funds available to send back, but there were no funds available, so they were unable to assist him further.

Mr S then complained to our service. Our investigator considered the case and said he was satisfied that Santander had taken all reasonable steps to recover Mr S's money. But the recipient had transferred the full amount to a different account, on the day it was credited to their account, leaving no money for Santander to recover through the recall process. And since the recipient hadn't responded to any communications about returning the money, Santander were unable to take any further action within the scope of their legal and regulatory responsibilities.

Mr S didn't accept our investigator's opinion so the case has come to me for a 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.

In a case such as this where Mr S mistakenly sent money to the wrong person the Payment Services Regulations say that a payment service provider, in this case Santander, should take “reasonable steps” to recover the funds.

I’m only looking at the actions of Santander the bank where the account which received the payment was held. On receiving notification of the mistaken payment we’d expect Santander to process the recall request submitted by Mr S’s bank, which they did.

We’d also expect them to take steps to protect the disputed funds. Santander weren’t able to do this as the recipient of the money transferred the funds to another account on the same day as they were received, so there was insufficient money in the receiving account to protect, or recover, through the recall process.

Santander wrote to their customer asking him to contact them about the payment he’d received but he didn’t reply. And in their letter they said they’d check his account in seven days and protect any available funds, up to the full value of the payment received in error. And they’d return any protected funds in 15 days from the date of their letter. Their customer didn’t reply to them and no further funds were paid into the account, so they weren’t able to take any further action regarding returning Mr S’s money.

In this situation we’d expect Santander to provide the name and address of the recipient of the mistaken payment, if these were requested. But I understand this wasn’t necessary as the recipient was known to Mr S.

Santander are legally limited in their ability to recover funds. They can’t retrieve money that has already been withdrawn from an account or access other accounts held by the recipient without legal authority.

I’m satisfied that Santander have complied with their obligations by facilitating the recall process promptly and contacting their account holder. They can’t compel the recipient to respond or return the funds if they choose not to.

I understand that Mr S wants his money returned and feels very strongly that Santander have facilitated the recipient in not returning the mistaken payment, so they should refund his money. But it’s the recipient of the mistaken payment who is at fault here. And as Santander have taken all the steps I’d expect them to, I can’t ask them to do anymore.

If Mr S hasn’t done so already he may wish to contact the police or take legal advice on steps he can take to recover his money.

### **My final decision**

For the reasons set out above my final decision is that I don’t uphold Mr S’s complaint about Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 18 April 2025.

Patricia O’Leary  
**Ombudsman**