

## **The complaint**

Mr O complains about issues he experienced when he changed his credit card with Santander UK Plc.

## **What happened**

Mr O held a Santander 123 card. In June 2024 he changed the card to an Edge card.

In August 2024 Mr O's card was declined. He contacted Santander and was advised that the card had been declined due to non-payment. A late payment fee of £12 was applied to the account. The Santander agent advised Mr O that if he made a payment of £62.09 on the account, he would be able to use the card again. Mr O paid this amount on 14 August 2024.

Mr O raised a complaint. He said he'd set up a direct debit to make payments to the account and he wanted to know why it wasn't in place.

Mr O wasn't happy about the way his complaint was dealt with. He was contacted by a complaints handler during his working hours even though he'd expressed a preference for this not to happen. Mr O raised this concern with the complaints handler when he called but felt the agent was dismissive and rude. Mr O complained about the complaints handler.

On 27 September 2024 Santander issued a response to Mr O. It said it had investigated the aspect of the complaint which related to the complaints handler and hadn't found any evidence of rudeness. In relation to Mr O being contacted during working hours, Santander said it couldn't always call customers at the preferred time but always tried to contact customers as soon as possible. In relation to the direct debit, Santander said the direct debit was set up on 22 June 2024 but had later been cancelled by one of its advisors in error, Santander apologised that the error had led to a missed payment and a late payment fee and confirmed that this had been refunded. Santander said that due to the error, it was crediting Mr O's current account with £150.

Mr O remained unhappy and brought his complaint to this service. He wants the interest of £67.28 which was applied on 7 September 2024 refunded and further compensation.

Following the referral of the complaint to this service, Santander offered a further £100 to resolve the complaint.

Mr O said he wasn't prepared to accept this because prior to going on holiday in August, he'd made sure that there were sufficient funds in his account to cover the full statement balance of £3881.33. On his return from holiday and having checked his statement he found that the full statement balance hadn't been taken by direct debit and that he'd been charged interest of £67.28. Mr O said he'd raised this with Santander and was advised that a period of 4 weeks had to elapse before a new direct debit could be collected. Mr O said he was advised that he could make a faster payment of £3881.33 which he did on 21 September 2024. Mr O said that this part of his complaint hadn't been dealt with by Santander.

Our investigator thought the offer from Santander was fair. He said he didn't agree that the

interest of £67.28 had been applied incorrectly, because Mr O had been advised to make a manual payment that month.

Mr O didn't agree. He said he didn't remember being advised to make a manual payment in August and asked for a transcript of the conversation.

Our investigator reviewed the call and confirmed that the advisor had told Mr O that he needed to make a manual payment in August.

Mr O said he now agreed that he was told about the manual payment and had forgotten about it. He said he would be prepared to settle the matter for an additional payment of £150 from Santander. Mr O said he'd received poor service from Santander, and it had caused him a great deal of stress.

Because Mr O didn't agree I've been asked to review the complaint.

### **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.

The facts of this dispute are well known to both parties, and I won't repeat them here.

Essentially, this is a complaint about poor customer service which has led to Mr O's direct debit being cancelled, which in turn caused him to miss a payment and incur interest on the account.

There's also a complaint about the timing of a call made to Mr O which was outside of his preferred times and interrupted his working day.

The complaints and the responses from Santander have been well rehearsed and I've summarised these above in the "What happened" section of this decision.

The issue for me to determine is whether Santander's offer - £100 in addition to the £150 already paid – is a fair and reasonable resolution to the complaint. Mr O contends that it isn't and has asked for £150 in addition to the £150 already paid.

Compensation isn't an exact science. This service publishes guidance on our website but ultimately the level of compensation comes down to an assessment of the impact of the error on the consumer.

In this case, there was a clear error by Santander when it cancelled the direct debit. This led to Mr O's payment not being collected and a late fee being applied to his account. The late fee has already been refunded.

Mr O was charged interest the following month. Initially Mr O disputed that he'd been advised that he should make a manual payment of the statement balance that month, but he now accepts that he was given that advice. He makes the point, however, that the entire process had caused him so much stress that he had forgotten about the manual payment.

Having reviewed everything I can appreciate what a frustrating experience this has been for Mr O. I've thought about the impact of the poor customer service and the errors in deciding what's a fair level of compensation.

On balance, I think the offer from Santander is fair and reasonable. This brings the total

compensation to £250, which is in line with what this service would award.

### **My final decision**

My final decision is that I uphold the complaint. Santander UK Plc must pay the further sum of £100 to Mr O, bring the total compensation to £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O and Mr O to accept or reject my decision before 10 April 2025.

Emma Davy  
**Ombudsman**