

The complaint

This complaint is about Ms A's mortgage with Santander UK Plc. Ms A's initial complaint is that Santander had declined her request for a term extension. Santander has since agreed to the term extension, so the issue in the complaint is now about compensation for distress and inconvenience arising from the way the bank dealt with the application.

What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here.

In addition, Santander has accepted that compensation is due to be paid to Ms A, so the only issue I have to determine is whether the amount offered by Santander is fair and reasonable, or if there is anything more Santander needs to do to put things right.

Finally, our decisions are published, so it's important I don't include any information that might lead to Ms A being identified. So for these reasons, I will instead concentrate on giving the reasons for my 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.

Your text here

Putting things right

As I said above, the only issue to be decided in this complaint is whether the compensation Santander has offered is fair and reasonable. The term extension Ms A wanted has been agreed, and so I don't need to make any findings on that issue.

Santander has agreed to pay the following compensation totalling £300:

- £50 for Ms A being told (incorrectly) she could go into a Santander branch to fax a document to the bank (already paid);
- £150 for acknowledging that it had unfairly set Ms A's expectations about the term extension, and for poor communication (already paid);
- A further £100 recommended by the investigator, who didn't think the £150 offered by Santander in relation to the term extension and poor communication was sufficient.

Initially Ms A wanted £750 compensation, but on 11 March 2025 agreed to accept the compensation recommended by the Investigator (albeit mistakenly referring to an amount as

£350), provided it was paid within a week. The Investigator clarified with Ms A the correct amount, which Ms A acknowledged. Ms A said that if the payment couldn't be made within a week, she wouldn't agree to accept it. On 13 March 2025 Ms A asked for the complaint to be passed to an Ombudsman.

I've reviewed everything that's happened and having done so, I agree with the Investigator that a further £100 on top of the £200 already paid by Santander is fair, reasonable and proportionate to the distress and inconvenience caused to Ms A.

Ms A was caused inconvenience when she was told – incorrectly – that she could go into one of Santander's branches to fax a document. I think the £50 paid for this is fair and reasonable.

I think Santander could have let Ms A know sooner than it did that it was intending to decline the application. Due to the delay, Ms A was left with only a short time before her mortgage repayment increased, when she'd been expecting it to go down due to the term extension. I don't think the £150 initially offered by Santander (and paid by the bank) was sufficient for the distress caused by this, and so I'm satisfied a further £100 is a fair amount of compensation.

As I said above, the issue giving rise to the complaint – the term extension – has now been resolved to the satisfaction of both parties so I don't need to make any findings on this.

My final decision

My decision is that, in addition to the £200 already paid by Santander UK Plc, if the bank has not already done so, it must pay Ms A an additional £100 compensation. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 12 May 2025.

Jan O'Leary
Ombudsman