

The complaint

Miss H complains Santander UK Plc gave her incorrect information when she opened a savings account and mishandled an application by her for a credit card. She complains she's lost out on interest, been distressed and inconvenienced and had her credit file damaged.

What happened

In March 2024 Miss H called Santander to ask how to open a savings account that would earn her a high rate of interest. She says the agent she spoke to talked to her about how to open a savings account using Santander's app and that following the call she deposited £2,000 into the account. Miss H says she called Santander a month later as she wasn't able to deposit any more money into the savings account she'd opened. She says that the agent she spoke to told her that she shouldn't have been allowed to deposit £2,000 into the account in one go but that she should keep her money in the account as it would earn a high rate of interest. Miss H says six months she discovered that she didn't earn any interest, despite what she'd been told. She moved her money into another account on 1 July 2024 and complained to Santander about the interest she'd lost in the meantime.

In February 2024 Miss H applied for a credit card with Santander and says she sent documents in via the post as instructed. She says she didn't receive any further correspondence so she contacted Santander and was told her application had expired as it hadn't received the documents it had requested. She says she was told to make a second application which she did in August 2024. Miss H says she then received emails from Santander some of which said her documents had been received and others of which said it still needed some ID from her and that her application would expire if it didn't so soon. She says an agent she spoke to at Santander told her that they hadn't received her documents as she'd created another account with Santander. Miss H says the agent was very cold and unprofessional and didn't explain what he meant. She says she was told she needed to go into branch and make a third application.

Miss H complained to Santander in September 2024 about both issues and says that she didn't get a final response from Santander and that her complaint was handled poorly. She ended up complaining to our service.

Santander says it looked into Miss H's complaints and agreed that she had received poor customer service. Santander says it sent Miss H a final response in which it offered to pay her £69.18 in interest to compensate her for the interest she didn't receive on her savings account and an additional £180 in compensation for the distress and inconvenience she'd been caused. Miss H says she didn't receive the final response from Santander.

One of our investigators looked into Miss H's complaint and recommended that Santander pay an additional £120 in compensation for the distress and inconvenience it had caused.

Miss H was unhappy with our investigator's recommendation saying that £300 wasn't fair compensation for the difficulties she'd experienced and the effort she'd had to put into the complaint. She told our investigator that she was aiming for a couple of thousand in compensation. She asked for her complaint to be referred to an ombudsman for a decision.

Her complaint was, as a result, passed 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.

In this case, there's no dispute that Miss H received poor service from Santander in relation to the savings account she opened and the credit card she applied for. Some of the problems she had were likely down to a duplicate profile that Santander had for her on its records. I agree with our investigator that this could have been identified earlier meaning that some of the distress and inconvenience that Miss H has been through could have been avoided. The issue I have to decide, however, is whether or not the steps Santander took to resolve Miss H's complaint were fair or more was needed. Miss H has told us that she didn't receive Santander's final response and because of this she spent months worrying about her credit file at a time when this was important to her. She's also told us that she had to change her plans because she wasn't able to get a credit card. So I'll need to consider those points.

Santander has sent us evidence which I'm satisfied shows it sent Miss H a final response – it did so electronically. That evidence suggests that their message wasn't read. I accept, therefore, that Miss H didn't see Santander's final response when she complained to us. But I don't agree that it would be fair to hold Santander liable for any distress and inconvenience that this caused given that it had in fact sent Miss H a final response. It's unfortunate that Miss H didn't read Santander message because I can see early on that Santander agreed to remove the two credit searches that it did in relation to Miss H's credit card application. It's unlikely that those searches alone would have had the impact that Miss H thought they would, but I can understand why – given everything she's told us – the searches worried Miss H a lot. Had she seen Santander's responses she wouldn't have needed to worry. As I've already mentioned, it wouldn't be fair to hold Santander liable for the fact that Miss H didn't see its responses.

I can see that Miss H noticed Santander had paid around £200 into her account – this would have been the £180 compensation it had offered plus an additional £69.18 in interest. Had Miss H realised that this was compensation Santander had agreed to pay, I accept that she would have considered it inadequate given the amount of distress and inconvenience she'd been caused up until that point. And I agree with our investigator that £180 in compensation for the amount of distress and inconvenience she'd been caused up until that point is on the light side. I do, however, think that the additional £120 our investigator has recommended – bringing the total compensation up to £300 – is fair given the impact Santander's errors had had up until that point. So, that's the award I'm going to make.

Putting things right

Santander has accepted it made mistakes in relation to Miss H's savings account – which meant she didn't earn the interest she expected – and in relation to her credit card applications – which meant she had to apply twice and still didn't get a card and had searches on her credit file. Santander has paid Miss H £69.18 in lost interest and removed the searches from her credit file. In my view, those steps, along with £300 in compensation, fairly put things right. So, I'm going to require Santander to pay an additional £120 in compensation in addition to the steps it has already taken. I leave it to Miss H to decide whether or not she wishes to accept this.

My final decision

My final decision is that I require Santander UK Plc to pay Miss H an additional £120 in compensation in addition to the steps it has already taken in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 18 June 2025.

Nicolas Atkinson
Ombudsman