

The complaint

Miss M complains that Santander UK Plc (Santander) delayed payment of her dividend in January 2024. Miss M says this resulted in her rent and bills being paid late.

What happened

Miss M holds an Investment ISA on the Santander Investment Hub. On 10 January 2024 Miss M contacted Santander to find out why her income payment in the Santander Max 30% Shares Income Portfolio (the fund) hadn't been paid to her around the 8th of each month as she had previously received. The call handler couldn't explain why Miss M hadn't received the payment, nor when it was likely to be paid. She was unhappy with this so decided to raise a complaint. Miss M received her dividend payment on 17 January 2024.

Santander looked into Miss M's concerns and spoke to her on 1 February 2024 explaining that there hadn't been an error in paying her dividend when they did. They referred to the terms and conditions of the account which said it may take between 5 - 15 working days after the fund pays the income before it would be paid. However, Santander did acknowledge the frustration the situation had caused Miss M and awarded a £50 goodwill payment.

Unhappy with Santander's response Miss M referred her complaint to our service. She told us she had come to rely on this money being paid to her between the 1st and the 8th of each month to pay her bills - and had arranged her bill payments around these dates. Miss M had invested all her savings into the Investment Hub and didn't have any other savings to rely upon if she wasn't paid. She would have expected to have been called by Santander if the payment was to be paid later than expected. On this occasion, the late payment had caused her relationship with her landlord to breakdown.

One of our investigators looked into the complaint and didn't recommend it should be upheld. She said Santander terms were clear how long they had to pay Miss M any dividend distributions and they paid it within this period.

Miss M disagreed and requested an ombudsman's decision. She said that she is an elderly and vulnerable individual and Santander have acted unprofessionally with the lack of information when she called to find out where her money was. As the matter couldn't be resolved, the complaint has come to me to consider everything afresh and issue 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 appreciate Miss M's strength of feeling towards this matter and I think it's important to highlight that I've considered everything she said. Having said that, my findings are focused on the key considerations explaining if Santander made an error in paying the dividend payment to Miss M when they did. And should they be accountable for the problems caused

to Miss M for receiving the payment later than she had previously been used to.

I'm not sure why the fund dividend payment was received later to the Investment Hub than it had done in previous months. That being said, I've considered what the terms and conditions say to see when Miss M can expect to receive dividend payments once they are received on the Investment Hub.

Miss M provided our service with a copy of the November 2021 Investment Hub Key Features document. Under the regular withdrawals section it says:

"Buy investments that generate income

Some investments may generate natural income in the form of interest and dividend distributions. This income can be paid to your nominated bank account. It may take between 5 – 15 working days after the fund pays the income to us before you finally receive it".

Santander have also provided a copy of the November 2022 terms and conditions for the Hub – applicable at the time of this event. Section 6.4 which addresses income confirms:

"It may take between 5 to 15 Working days after the Fund pays the income to us before the income is either paid to you, or reinvested or paid to your nominated account."

In this instance the payment was received by the Investment Hub on 10 January 2024 and payment was made to Miss M on 17 January 2024, so comfortably within the terms for making payment.

Turning to the phone call Miss M had with Santander on 10 January 2024. I haven't listened to the call but have been provided with a copy of the call notes from the time. I can see the call handler wasn't able to confirm when this money will be paid to Miss M, but said it will be paid soon. I appreciate the concern this would have caused Miss M during the call – especially as she had come to rely on receiving this payment around the same date each month.

It would have been helpful for the call handler to have managed Miss M's expectations around the timescales for her to have received the dividend payments once the Hub receives it from the fund, but I don't believe the call handler would have been able to confirm the most important information to Miss M during the call i.e. when will she receive the dividend payment.

I also understand that this payment had caused Miss M to be put into an awkward situation with her landlord, as well as paying her bills. And I appreciate that she considers herself to be financially dependent on receiving these funds as she doesn't have other means to cover payments if they are received later than she expected.

But for me to uphold Miss M's complaint I would have to find that Santander made an error by paying the dividend payment later than they had previously done or caused foreseeable harm to her. Dividend payments aren't a guaranteed source of income, but even so the dividend was paid in line with the terms of the account. Santander also weren't to know of any unfortunate implications caused to Miss M on this occasion.

I appreciate that historically the payments have been made around the same date - but I don't necessarily think this means it was reasonable to expect they always would be. The terms set out a range of dates within which payment would be expected, and I can't see that any guarantees were given it would always be as early as it was within that period.

So after having taken into account everything that Miss M and Santander have told me, I haven't seen enough to show that Santander did anything wrong or that it treated Miss M in a way that wasn't fair and reasonable. I'm aware Santander paid the £50 compensation to Miss M on 2 February 2024 and I won't be asking them to do more than they have already offered her.

My final decision

For the reasons I've explained above, I don't think Santander needs to do anything further to settle the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 25 April 2025.

Andy Hurle
Ombudsman