

The complaint

A company, which I will refer to as P, complains that Santander UK Plc unfairly defaulted its Bounce Back Loan (BBL) and passed the matter to an external debt collections agency.

(I'm aware that P previously made a separate complaint that Santander closed its bank account, but I have not considered that issue here. This decision is solely about P's BBL.)

What happened

One of our investigators looked at this complaint, but she did not uphold it. Briefly, she said:

- P took out a BBL in June 2020. The first payment was due in July 2021. P made payments on time until September 2023, when it fell behind.
- Santander correctly informed P about the arrears on the loan.
- Santander and P's representatives discussed the arrears in October 2023, and a payment was made towards the BBL. However, further payments were then missed, and P did not contact the bank to set up a plan to pay the arrears.
- Santander continued to write to P about the arrears. The bank issued a default notice in April 2024, then defaulted the account in June 2024.

Our investigator thought that Santander had acted fairly, kept P informed, and issued the correct letters. P did not make the payments due under the BBL agreement, and so our investigator thought that Santander was entitled to treat P's continued failure as an event of default.

Our investigator acknowledged that P's representatives were unhappy about the closure of P's bank account, but she didn't think that closure had prevented P from making payments to its BBL.

P's representatives did not accept our investigator's conclusions. He said that Santander caused the default – the company did not have a bank account, and so could not pay the BBL.

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.

Having done so, whilst I am sorry to further disappoint P's representatives there is very little I can add to what our investigator has already said.

I cannot comment here on the closure of P's Santander bank account. P's representatives made a separate complaint to our service about that issue. We did not uphold that complaint, and our files on that matter are now closed.

Looking at the BBL in isolation, I agree with our investigator's opinion. P did not make payments to the BBL, and so Santander issued a default notice and passed the matter to a collections agency. I consider that Santander was entitled to take the actions it did, and I see nothing unfair about Santander's behaviour.

My final decision

My final decision is that I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 29 May 2025.

Laura Colman
Ombudsman