

The complaint

Mr F complains that Santander UK Plc cancelled his standing order and transferred his account to a debt collection agency.

What happened

Mr F says Santander had paid him compensation back in 2016 when it failed to allocate payments to his credit card. He says that he had been making £20 payments via standing order and had heard nothing from Santander since 2020. Mr F says that Santander told him his debt had been sold to a debt collection agency (DCA) due to non-payment, but, he says, Santander must have cancelled his standing order without telling him. He adds that he wasn't aware of any debt until he received a letter from the DCA in November 2024.

Santander says Mr F's standing order was set up in September 2016 and was due to expire in September 2020. It says it no longer has access to the call in which this was set up but confirms that Mr F would have been aware it was not being taken by viewing his current account.

Our investigator did not recommend the complaint should be upheld. He was satisfied that Santander had sent sufficient information to Mr F to make him aware that the balance wasn't being paid off. He also found it was entitled to sell the debt to a DCA.

Mr F responded to say, in summary, that he didn't receive any correspondence in September 2020 when the standing order failed. He said he expected to have paid off the debt by 2022 so wasn't expecting any correspondence after that. Mr F further questioned why Santander would have only set up the standing order for four years when that timeframe would not clear the outstanding debt.

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.

Where the evidence is incomplete, as some of it is here, I must make my decision based on the balance of probability – that is, what I consider is most likely to have happened.

Santander has said its records don't go back as far as 2016, when the standing order was set up, and so it cannot confirm why there appears to be an end date of September 2020. I don't consider that to be unreasonable as banks aren't required to keep records for longer than six years.

However, Santander has also now sent evidence that Mr F's standing order failed in April 2020, as well as September 2020. It says it would have attempted to take the money three times in September 2020, but there were insufficient funds. Mr F says he had enough money in his account at the time and sent his current account statement as proof. However, although this shows a balance of £37.64 on 13 September 2020, it also shows two card payments totalling £19 had been taken out the previous day, but were yet to debit the account. So I'm satisfied Mr F did not, in fact, have sufficient funds in his account to honour the £20 standing order due on 14 September 2020.

It is not uncommon for banks to cancel standing orders after multiple failed attempts to protect customers from excessive charges or going overdrawn. So it's possible that's what happened here.

Although Santander cannot be sure why the standing order was no longer in place after September 2020, I have seen evidence that it informed Mr F of the failed payments in both April 2020 and September 2020. It also sent Mr F statements in February 2021, February 2022, February 2023, August 2023 and August 2024, before telling him the account had been transferred in November 2024.

I'm satisfied that Santander was entitled to transfer Mr F's account when it did as the terms and conditions say:

"If you don't pay on time or you miss payments...We may decide to sell or transfer your debt to a debt recovery company..."

So, although I acknowledge Mr F says he wasn't aware that he had any outstanding debt, I'm satisfied Santander sent him multiple statements with his balance and did nothing wrong when it transferred the account to a DCA.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 September 2025.

Amanda Williams

Ombudsman