

The complaint

Mrs G complains that Santander UK Plc hasn't paid her the correct amount of interest on her account.

What happened

Mrs G explains that she asked Santander for a breakdown of the interest paid to her account opened on 16 May 2024. She objected to paying Santander a fee of £10 for it to provide a detailed calculation. She says she didn't agree with the information provided. And that subsequent to that she believed Santander had underpaid her interest of £0.99 over a year.

Santander said it hadn't made a mistake. But said it had arranged to cover the £10 fee. It had provided a detailed calculation for three months which supported the interest Mrs G had been paid. And it said to this service that to resolve the complaint it would pay Mrs G £2 as a gesture of goodwill to cover the interest she says she has been underpaid.

Our investigator didn't recommend that Santander do anything more. She said that the terms and conditions relating to the account stated that:

"How we work out interest

When we calculate interest, we take the annual interest rate we tell you and divide it by the number of days in the year.

We then apply this figure to the amount we hold or you owe us on your account each day."

And that its computerised system calculated interest on a daily basis and here showed interest credited to this account monthly. Mrs G had opened her account in 2024 and as this was a leap year with 366 days then interest in 2024 would be based on that. She said that how Santander makes its interest calculation was a commercial matter. It had offered to cover the interest shortfall claimed. Our investigator said that it wouldn't be appropriate to pay Mrs G for the time she says she's spent on the calculations. And that this complaint was only about this specific account.

Mrs G didn't agree and wanted her complaint to be reviewed. She said that her account was opened after 29 February 2024 and so interest should be based on 365 days in the year. She said that there were minor errors despite the Santander website stating the calculations were done to two decimal places. Interest should have been payable in each calendar month after the date the account was opened. But in a number of months the interest payment was based to the seventeenth not the sixteenth. She hadn't had accurate calculations yet. And had been on an online chat with Santander for over four hours and spent time on the calculation herself. Mrs G maintained that compensation for this should be paid.

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.

This service provides informal dispute resolution and we don't for example undertake an audit service. And I'll make my decision on the evidence including explanations that have been provided. If Mrs G doesn't agree she is free to pursue this matter in court subject to any relevant timescales.

Mrs G has provided a detailed spreadsheet of her calculations to this service. I understand that she keeps this routinely on her accounts including at other financial businesses to check the interest. I need to say to her that I won't be checking all calculations here shown daily as that's not our role. But I've looked for example at the column on her submitted spreadsheet entitled 'interest received shortfall.' Over 12 months from account opening this appears to show a variance between her calculation and what has been paid as interest to her account by Santander of generally up to plus or minus three pence monthly. But with a difference of six pence in April 2025. When I total these monthly differences over 12 months the total seems to be zero.

I note that this differs to some handwritten calculations Mrs G annotated on a letter from Santander dated 9 April 2025. This was I understand the source of the difference she quoted as 99 pence and for example then started with a shortfall of 73 pence in June 2024.

Our investigator has already referred to the terms and conditions of the account. I don't see that Santander has made any error in using 366 days in a year for the interest calculation during any period of a leap year. Mrs G says that Santander *calculates* to two decimal points *daily* – and so she has rounded all her daily calculations in that way. I note what she says about the interest application dates. As far as I can see monthly interest was treated as being in the account for *value* on the sixteenth monthly. This was as indicated for example in Santander's interest calculation provided starting 16 December 2024. I'm not persuaded that any of this has disadvantaged Mrs G bearing in mind that her complaint has been about the overall interest paid. And she's not shown that these points have most likely made any significant difference to that.

Santander did cover its notional cost of providing detailed daily interest calculations for the three months ending on the sixteenth of January, February and March 2025 which was reasonable. And it seems Mrs G has come close to those calculations in her own spreadsheet even including where she used a basis of 365 days in a year in December 2024. She has the calculations from Santander and while she can't reconcile to them exactly, she hasn't substantiated in my view it's made an error. Santander has also not altered any of its calculations during this complaint and I don't see a reasonable basis to require it to provide any more detail. And that's especially because it's made an offer which more than covers any interest difference previously claimed by Mrs G. I appreciate Mrs G routinely checks her interest payments in detail but has spent much more time here. But we don't generally make awards for time spent or apply professional rates and in light of my findings no compensation for this is fairly appropriate.

My final decision

Santander has made an offer to pay Mrs G £2 in addition to already waiving a fee of £10 which I think is reasonable in the circumstances. And so, my decision is that Santander UK Plc pays Mrs G £2 as it has offered to.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 19 December 2025.

Michael Crewe
Ombudsman