

The complaint

Mrs H complains Santander UK Plc gave misleading information when she wanted to transfer her ISA to it which has resulted in considerable inconvenience.

What happened

Mrs H has an account with Santander and has done so for around 30 years. Her husband has an account with Santander too.

In September 2024 Mrs H applied online to transfer a cash ISA she had with a business who I'll refer to as "Y" throughout the rest of this decision to Santander. She wanted to transfer just under £6,500 from previous tax years contributions. Her husband did the same.

Mrs H says they discovered by accident that Santander had treated her application – and her husband's – as a new contribution when it wasn't. So they spoke to an agent at Santander about how to put things right. She says they told them that Y would have to demand the money back. Mrs H says they were subsequently told that this wasn't right and that the only way to get her money back to Y would be to close his ISA and then transfer the proceeds into a new ISA with Y. Mrs H was very unhappy with how Santander had treated her application – as was her husband – and the way it had handled matters. She complained saying she wanted Santander to transfer her ISA back to Y without penalty as well as compensation for wasting her time and an apology letter. She said Santander's online application process was unclear and that several members of staff had agreed with them on this point.

Santander looked into Mrs H's complaint and said that it hadn't made any errors processing Mrs H's application. Santander did, however, accept that it hadn't handled his complaint well and that she'd also been given inconsistent information, so it offered £100 in compensation. Mrs H was happy that the compensation offered covered the issues there had been with the handling of his complaint but she still wanted a resolution in relation to her ISA issues. So, she complained to us.

One of our investigators looked into Mrs H's complaint and said that Santander had followed the correct process – as far as Mrs H's transfer was concerned – but had provided poor customer service when they called to find out what had gone wrong and to put matters right. However, they thought the £100 Santander had paid for the distress and inconvenience caused as a result was fair. So, they didn't recommend that this complaint be upheld.

Mrs H wasn't happy with our investigator's recommendations and 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.

Last month I issued a provisional decision. In that decision, I said I agreed with our

investigator that Santander didn't act unfairly or unreasonably in the way it treated Mrs H's transfer. I also said, however, that it thought Santander could have done a much better job of helping Mrs H put matters right and that it has caused her unnecessary distress and inconvenience as a result of not doing so. I said I was, therefore, minded to award Mrs H an additional £200 in compensation on top of the £100 already paid.

Both parties were invited to reply to my provisional decision. Santander accepted my provisional decision and so did Mrs H except in relation to the award I was minded to make. She said that she thought an additional £250 in compensation was more appropriate. Having considered Mrs H's point very carefully, I'm afraid to say that I remain of the view that an additional £200 in compensation fairly reflects the impact Santander's actions have had.

Putting things right

Given what I've just said, I remain of the view that Santander should pay an additional £200 in compensation on top of the £100 already paid.

My final decision

My final decision is that I uphold this complaint and require Santander UK Plc to pay Mrs H an additional £200 in compensation on top of the £100 it already has.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 4 December 2025.

Nicolas Atkinson
Ombudsman