

The complaint

Mr B complains that Santander UK Plc wrongly closed his current account in August 2025 following incorrect advice with ongoing impacts to his finances and wellbeing.

What happened

Mr B held a Santander current account which he changed to an 'Edge' account in April 2025 with a monthly fee following a call with its adviser. Santander said Mr B decided to close this account in July and complained about the information provided. Santander acknowledged this was incorrect and said Mr B could change the account back to a current account online. Santander said its agent could've done better but it's up to the customer to use the calculator on its website to work out the interest, but Mr B said he hadn't done so.

In August 2025 Mr B applied for a new current account and called Santander to move his payees from his old account which he'd already requested to be closed. Santander failed to identify that Mr B had already requested closure of the old account and incorrectly told him the old account could be changed to the current account and the new account could be closed. Mr B attempted this but his old account was closed and the funds went to his savings account. Mr B complained to Santander and requested for the old account to be reopened.

Mr B said the consequences of Santander's many errors were two failed mortgage payments and many failed direct debits resulting in charges. He said interest charges were applied following the account closure, despite assurances from Santander. He said these were eventually repaid, but only after repeated requests. He requested compensation of £2,488.

As Mr B instigated the account closure Santander said it couldn't reactivate the account and said a new account would be required, and he would need to rearrange his direct debits with his new account details. Santander said that had it not provided the wrong information on the call in August, Mr B would still have had to provide his new account details to payees.

Santander said Mr B called when he couldn't close his Edge account online or go back to his old account. An agent helped Mr B change accounts but wasn't aware he'd already closed his account and that this had to be processed first, resulting in the account being removed. Santander said there was no way of stopping the closure but this should have been checked and it wasn't possible re-open the account. Santander paid Mr B £100 compensation for not explaining the Edge account better. And a further payment of £100 for not explaining how the closure of his Edge account might cause his upcoming payments to be missed.

Mr B wasn't happy and referred his complaint to our service. He said Santander admitted its incorrect advice and causing the closure of his current account, but refused responsibility for the ongoing financial, credit, and personal consequences. And its payments don't reflect the harm and inconvenience he has suffered. He said this has worsened his depression and anxiety, and he needed therapy appointments to cope.

Our investigator said Santander isn't responsible for the account closure and so even if it had given correct advice in August 2025, it still wouldn't have impacted the payments. He

said Santander's failure was limited to the advice it provided, which was that the account closure could be stopped and it was Mr B's responsibility to take the necessary action.

The investigator said we also consider what would be a reasonable timeframe for Mr B to adjust his payments, and if there was an opportunity to do so after the first payment was missed. The investigator offered to contact Santander to look at the dates.

The investigator said Santander can't alter Mr B's credit history as it didn't apply markers and can't remove those applied by another financial service. He said whilst Santander had a hand in the missed payments, it only became involved after Mr B had submitted his account cancellation request. He thought Santander's compensation of £300 is fair.

Mr B did not agree with the investigator's assessment of his complaint and requested an ombudsman's review. He said he would like Santander to tell his mortgage provider that its errors caused the missed payments, so his credit file can be corrected. And pay £750 compensation for the ongoing distress, inconvenience, and credit harm. He said this would fairly reflect the seriousness of two missed mortgage payments and resulting credit impact.

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.

It is always regrettable when we see a relatively simple process such as the closure of an account cause prolonged anguish and inconvenience. I sympathise with Mr B for the frustration he experienced. It's our role to identify if a business has made a mistake and if so, look at the impact this has had on the consumer.

Mr B described the impact of Santander's poor service in terms of the stress, anxiety, and disruption to his daily life. And he described the financial impact of the missed mortgage payments in September and October 2025 which have been recorded on his credit file, and direct debits which have affected his ability to remortgage and preventing him from moving as planned.

I was sorry to learn about the disruption to Mr B's daily life and his inability to maintain normal routines for his physical and mental wellbeing. And I was sorry to learn of the significant and worsening emotional distress, which have required therapy appointments. He said these issues have intensified, showing that Santander's failures continue to have a serious impact.

What's not in question is whether Santander made mistakes. Santander has acknowledged that it could have been clearer in its communications. Given that Santander is unable to re-open Mr B's previous current account I have looked at whether its compensation is a fair and reasonable reflection of the impact of its mistakes on Mr B.

Santander has acknowledged that its agent should have explained the Edge account much better to Mr B. Had this happened I don't think Mr B would have opened the account. Having said this, there is information about the account available online including the low monthly charge.

Mr B said Santander wrongly closed his account, and that his closure request was due to Santander's incorrect advice and false expectations that his account could be reverted without causing disruption. But Santander said there was no way of stopping Mr B's closure of his account online.

I haven't seen evidence of mis-advice from Santander before Mr B closed his account. I can see it was Mr B's decision to close the account as it was no longer wanted. This is an online facility available to customers and I don't think Santander made any error in respect of the account closure. However, it appears that Mr B was unaware of the implications of closure before new arrangements were in place in that his payments were cancelled and his funds were transferred to his savings account. Mr B has described the various key payment commitments that were then missed.

Santander's failure during this process was that its agent should have identified what had happened from the interaction with Mr B and could then have explained that account closure couldn't be stopped and the implications for Mr B's upcoming payments. This would have helped Mr B, but the implications of this poor service are limited by the fact that this would not have prevented closure of the account.

Unfortunately for Mr B his mortgage payments for August and September 2025 were not made. The period of impact was limited to one week as Mr B made the closure request on 19 August, and on 26 August 2025 Santander explained to Mr B that he would have to open a new account, which he accepted. From this point I think it was clear to Mr B that his direct debits and mortgage payment would be affected.

I sympathise with Mr B for the adverse markers that have been applied to his credit file. It is a requirement of financial businesses to provide accurate and relevant information about customers to the credit reference agencies. Santander didn't apply the markers to Mr B's credit file can't alter his credit history. Mr B may wish to add a 'notice of correction' himself – there's helpful information about this on the following web page:

https://www.payplan.com/wp-content/uploads/2021/02/0038-21_How-to-notice-of-correction-factsheet.pdf

I can well understand Mr B's frustration and worry due to poor service he received from Santander but I haven't found that this led to the prolonged disruption of daily life that Mr B has described.

I am pleased Santander has apologised to Mr B for this poor service and has reimbursed the credit card charges incurred. I haven't seen any explanation from Mr B about the calculation and justification for his requested compensation of £2,488. Having thought about the impact on him of what has happened I agree with the investigator that Santander's offer of a total of £300 compensation is both fair and reasonable for the impact of its poor service on him.

Our service investigates the merits of complaints on an individual basis and that is what I've done here. I think it's important to explain that my decision is final. I realise that Mr B will be disappointed by this outcome though I hope he appreciates the reasons why it had to be this decision has been reached.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. If accepted by Mr B I require Santander UK Plc to pay him a total of £300 compensation for his distress and inconvenience. Santander may deduct from this sum any compensation it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 May 2026.

Andrew Fraser

Ombudsman