

## **complaint**

Miss M's complaint is that when she requested Santander UK Plc to make one payment to a credit card company and a second one to someone else in April 2011, it made both payments to the other person. The bank has not disputed this. As a result of this error she says that she has incurred charges on her account that she would not have incurred had this error not happened.

## **background**

In error Santander made two payments to the same company where one of the payments should have been paid to the credit card company. The bank accepts that it made an error and has made several refunds of fees and waived charges. The adjudicator concluded that these were a fair and reasonable resolution of Miss M's complaint. Miss M does not agree that this is sufficient and also says that she could not get the duplicate payment back. I have been told by the bank that her account is not currently in collections and recoveries and currently has a zero balance.

### *my provisional findings*

After considering all the evidence, I issued a provisional decision on this complaint to Miss M and to Santander in July 2013. I summarise my findings:

I explained that I had reviewed the various payments, in and out, and charges and fees levied on Miss M's account, during the relevant period. I had found that certain of the fees incurred shortly after the error was made were properly charged, as they related to matters that had already arisen. I also found that even if the misdirected payment had been made to the credit card company, rather than the other person, it would already have been late. I further found that, at some stage, Miss M will have the benefit of the payment incorrectly made, as it will reduce the amount due to that payee.

However, on closer examination of the figures, I found that if Santander had immediately reimbursed Miss M with the amount that was due, but not paid, to the credit card company, she would have had sufficient in her account to make the payment at a later date, without becoming overdrawn as a result. As this did not occur, in effect she had to fund the payment twice.

This payment represented a significant proportion of her income and did result in her becoming overdrawn. Santander then started to add charges and fees to her account because of the unauthorised overdraft, making the overdraft even greater. This situation continued to snowball even though the bank started to make refunds. From my calculations, the repayments and a goodwill payment of £95 paid to Miss M never completely put the situation right.

### *my provisional decision*

My provisional decision was that, subject to any further comments or evidence received from either Miss M or from Santander by 20 August 2013, I was minded to uphold this complaint and that I intended to make an order against Santander as set out in my decision below.

Santander responded to my provisional decision by saying that it had reconsidered its position and confirmed that it would like to settle the complaint. It felt that my proposed settlement would be fair and reasonable. Miss M did not add anything to affect my provisional findings.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As I have not received anything further from Miss M or Santander which I find affects my provisional findings, I see no reason to depart from my provisional decision.

### **my decision**

My decision is that I uphold this complaint.

In full and final settlement of this complaint, I order Santander UK Plc:

- (1) To recalculate the balances on Miss M's account to date, on the basis that the payment of £50.83, made in error to the wrong payee in April 2011, had been reimbursed to her immediately. This calculation to include cancelling any charges and fees that would not have arisen in the absence of this error and utilising the goodwill payment of £95 towards such calculation.
- (2) To credit Miss M's account or issue her with a cheque, as she prefers, for an amount that would put her in the position she would have been in had the payment to the wrong payee never been made.
- (3) To credit Miss M's account or issue her with a cheque, as she prefers, for £44.17, which is an amount equal to the goodwill payment of £95 paid by Santander, less the amount paid in error to the other payee.
- (4) To pay Miss M a further amount of £150 for the distress and inconvenience she has suffered in trying to obtain a resolution of this complaint.

Ros Barnett  
**ombudsman**