

summary of complaint

Mrs C complains about Santander UK Plc ("Santander"). She complains that:

- Her account was changed from a Premier account to a Reward account. She says she was not told that her new account did not have the same benefits as her old account. In particular the travel insurance policy which came with the Reward account did not have the same benefits as the Premier account travel insurance policy and was not suitable for her.
- Her direct debit was set up incorrectly leading to her paying late payment fees.
- Her standing order was not set up correctly.
- Adverse information was wrongly registered on her credit file.
- Her original account was reinstated but she was not initially told about this.
- Her requests to change her account from a fee paying account to a non fee paying account were ignored.
- The bank gave her poor customer service.

our initial conclusions

Our adjudicator did not recommend that the complaint should be upheld.

Mrs C did not accept that recommendation. She asked that an ombudsman review her complaint.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where necessary and/or appropriate, I reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened in the light of the evidence that is available and the wider surrounding circumstances.

insurance policy

Mrs C says that under her Premier account travel insurance policy she would have had travel insurance cover until the age of 79. But when she took out the Reward account this policy was cancelled and she had to pay for her travel insurance separately – as the policy that came with the Reward account did not cover her.

Mrs C tells us the bank never explained to her that she would not have the same level of travel insurance cover with the new account as she had under the original one. Instead she says it said she would get added benefits and there would be no additional fees. I consider that Mrs C is right when she says that Santander should have explained this to her.

Santander has not been able to demonstrate that it did and so I consider it should compensate her for not giving her all the relevant information.

But I do not agree with how Mrs C has calculated the compensation she considers she is entitled to. Mrs C says she should get a sum equivalent to 12 years of insurance premium payments. She explains this is the right remedy as this will put her in the position she would have been in if she had not closed the original account. I disagree. Mrs C did not buy a standalone insurance policy. Neither did she pay for 12 years of insurance cover up front.

Rather Mrs C bought a current account which came with an insurance policy. This means that Mrs C was only ever entitled to benefit from the travel insurance policy for as long as she held the current account. So I cannot see the basis on which she says she was entitled to be compensated for future insurance premiums. She has not paid for these premiums so she has not made the financial loss for which she is claiming.

In any event, her original account has now been reinstated which is what she asked for. This means that, as long as she keeps this account, she will have the travel insurance policy and she will not have to pay separately for this.

Mrs C points out that she was wrongly told by the insurance company that her travel insurance policy had been cancelled but I cannot fairly hold Santander responsible for the actions of the third party.

I recognise that Mrs C found the whole issue of the travel insurance policy upsetting and she tells us she had to keep on following up things with Santander to get it to put things right. But Santander's records show that it has given her a refund that equates to three years worth of insurance premiums – when the information I have seen indicates she did not make three insurance premium payments. The bank's records also show it has already paid her £540 for distress and inconvenience in addition to the refunds I mention above.

The bank says part of the £540 was intended to compensate Mrs C for the mistake it made when it did not give Mrs C the right information about the Reward account. In all the circumstances I consider that this is sufficient compensation for the bank's mistakes and it is not appropriate to ask it to pay any more.

direct debits

Mrs C says that her direct debits were not set up correctly. She says that as a result she had to pay charges. Santander tells us that it has refunded all the charges. Mrs C says it has not. But Santander has provided us with Mrs C's statement information for the relevant period of time. This information indicates that Mrs C has received a refund for all of the charges that she incurred. The bank's records show that the £540 it has paid her was meant to compensate her for the distress and inconvenience she experienced in relation to these problems .

I accept that Santander did take too long to correct the mistakes it made with the direct debits. I consider it should compensate Mrs C for this. But in the circumstances I am satisfied that the compensation it has already paid is fair and I do not consider that it would be fair or reasonable to require Santander to do anymore.

standing order

Mrs C says her standing order was set up incorrectly and that she had to contact Santander to get it to correct this. I realise this must have been extremely upsetting for Mrs C as she says she was worried that she would not have enough money in her account for her day to day expenses. I regret to hear that she was so distressed by this that she was overcome by her emotions in the branch.

But she tells us that the bank did offer to correct its mistake by offering her a temporary overdraft. And she also tells us that it said it would not charge her for the overdraft. I consider this was an appropriate response. Further, Santander's records show it did subsequently reverse the standing order payment and it made a goodwill payment of £45 (which is included in the total of payment of £540 that the bank has made for distress and inconvenience). On this basis I consider that Santander has already compensated Mrs C fairly for the mistakes it made and I do not consider it should have to do anything further.

credit file

Mrs C has provided us with a copy of her credit file but this does not show that Santander has registered incorrect adverse information on her file. In any event Santander tells us it has not recorded any adverse information on her credit file. On balance I consider that Santander has not made a mistake and therefore I do not uphold this part of the complaint.

reinstatement of the Premier account and fees for the Reward account

It is clear from the information I have been provided with that Santander took far too long to tell Mrs C that it had reinstated her original Premier account. I understand that Mrs C considers that Santander ignored her requests to change her account to a non fee paying account. She also says it reinstated the account without her permission. But it is also clear that Mrs C did want the travel insurance policy that she was only entitled to if she also had the fee paying account. Mrs C's original complaint was that she would not have changed her account if she had realised she would lose the insurance policy. She also asked Santander to reinstate the account when she first complained to it and on more than one occasion after that.

Santander's records show that it explained to Mrs C how to switch her account to a non fee paying account. But she tells us that when she went to a branch to ask it to close her account and open a non fee paying account it would not do this. Santander has not provided us with any information about this aspect of Mrs C's complaint. In the circumstances I consider that Santander should compensate her for this. But as I have previously mentioned the bank's records show it has already paid her a total of £540 to compensate her for distress and inconvenience.

So I consider she has already received fair compensation. I consider that Mrs C should contact Santander directly if she still wishes to switch from a fee paying to a non fee paying account.

Mrs C complains that she had to continue paying a fee for the Reward account. But it is also clear that she did want the Roadside Recovery policy that came with the Reward account.

On this basis I do not consider that Santander made a mistake in charging her the fees for the account for the time that she held it.

For these reasons I do not uphold this part of the complaint.

distress and inconvenience

It is clear that Santander has not provided the level of customer service which Mrs C was entitled to expect. It had a number of chances to put things right for her but instead it seemed to continue to make mistake after mistake. Mrs C has explained to us how frustrated and upset she became due to all of this and I can well understand why she felt this way.

In particular, Mrs C tells us she wrote 38 letters and spent approximately £180 on phone calls in order to put right the mistakes Santander had made. That said I cannot see from the information available to me that Santander received all these letters and calls.

As mentioned above, Santander's records show it has already paid Mrs C £540 for distress and inconvenience apologised and sent her a gift. I recognise that Mrs C says this does not go far enough. But, in the circumstances, I consider that it does, bearing in mind the relatively modest amounts that this service awards for distress and inconvenience. It follows that I do not consider Santander ought to reasonably do anything more.

For these reasons I do not uphold this complaint.

my final decision

My final decision is that I do not uphold the complaint.

Joyce Gordon
ombudsman