

complaint

Mr M complains about Santander UK Plc allowing him to open a two year fixed rate bond without taking into consideration that he had learning difficulties and how they then refused to allow him to close the bond without incurring a penalty.

background

Mr M went into a branch of Santander to close his 2017 bond when it expired. He said he wanted to move his money but was coerced by the branch employee into opening another two year fixed bond.

He said that he felt he couldn't take his money out and because of his learning difficulties, he didn't fully understand his commitment. Mr M said that he was usually accompanied by a social worker or family member when dealing with things like this, but on this occasion he was on his own and he felt he was being taken advantage of. He said the branch employee recommended and advised him to take the product, and the bond was opened. He said that Santander were aware of his learning difficulties because a note was made on his account in 2014.

Some 17 months after opening the bond, Mr M went into the branch with his uncle. He asked for the account to be closed. He said he could have got a higher rate elsewhere. He also said that the account shouldn't have been opened for him anyway as he had learning difficulties and couldn't make decisions relating to account opening by himself.

When Santander said that the account couldn't be closed, Mr M complained to them.

Santander didn't uphold his complaint. They said they don't give advice or recommendations and interviews are adapted to the customer's individual needs. They said they would always explain a product and consider a customer's needs.

Mr M would have accepted the terms and conditions and upon his request the bond would have been opened.

They said a bond certificate was sent to Mr M 2 weeks after the bond was opened and Mr M didn't raise any problems about the bond until he asked for it to be closed over a year later, and their records showed that he previously held a fixed rate bond with them. They referred Mr M to their terms and conditions which said that a bond can only be closed in exceptional circumstances.

Mr M didn't accept Santander's view and brought the complaint to this service. Mr M told our investigator that he had trouble making complicated decisions and he needed time to digest information, especially when it came to money and figures. He said that the adviser was talking very quickly at him and he didn't get to know everything that was being said.

He said Santander were aware of his condition and he wanted the bond to be closed, all his money returned and letters of apology from the Santander adviser and the complaints handling manager.

Because the bond matured whilst Mr M's complaint was being investigated, Mr M also claimed compensation. He said he could have got a better rate elsewhere. He provided our investigator with information on some of the rates which he says could have been achievable. The rates he provided did show a much higher rate of interest and the minimum deposit amount that he would have had to deposit with various financial institutions, and our investigator asked him to provide more information, so a fair comparison could be made.

Our investigator's findings said that Santander were aware of Mr M's disability and should have adapted their interactions in their dealings with him, particularly as their records show that he may have some difficulties in fully understanding the types of accounts he can open.

Our investigator recommended an appropriate amount of compensation to be £100 and said that Santander should be asked to make Mr M's difficulties more visible on his account and adjust their interactions with him accordingly.

Santander disagreed with the investigator's findings. They said they can't say exactly what information was or wasn't registered on the account, or whether they had the customer's consent to register specific information on the account.

They referred our investigator to the Mental Capacity Act saying they can't always assume a customer had capacity for some things and not for others. They explained that they wouldn't always know how far a third party would be allowed to make decisions on behalf of a customer unless they had a customer's authority to record such detailed information on an alert.

Mr M disagrees with the level of compensation suggested by our investigator and says he would like total compensation in the region of £3,000. He says other providers of fixed rate bonds would have paid him more interest. He wants Santander to pay for the interest lost on the money he invested with them. He had also asked for £400 for the distress and inconvenience he had suffered.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done so, I partially uphold this complaint and I will explain why.

I take on board Santander's difficulties when assessing whether a customer needs a chaperone unless there is a specific alert on the account. However, I have listened to the call where Santander told our investigator there was a note from 2014 which showed Mr M had learning difficulties. Although no details of the type of difficulties were provided, I think this is enough of a trigger for them to have checked their records and perhaps they shouldn't have opened the bond straight away. I can't say whether Mr M would have come back to the branch to open the bond. He already had two other accounts and a previous bond with them, so the likelihood is he may well have returned to them to open this bond.

I think Santander could have provided Mr M with the information relating to the bond and asked him to come back after he had time to digest that information.

I think that Mr M did suffer some distress and inconvenience. I have listened to his call where he explained how his condition affected him. He said that he found it difficult to digest information quickly and understand complicated things.

He said the adviser only went through the information with him once making him feel overwhelmed. He felt he didn't fully get to know everything before he agreed to open the bond.

I'm satisfied that he wouldn't have had a full understanding of what was being explained to him and he would have needed time to make a decision.

For this reason, I think Santander should pay Mr M the sum of £100, as this is fair and reasonable to award for the distress and inconvenience he suffered.

I then need to think about the loss Mr M says he's incurred as a result of not investing his money with another provider. He says he would have got a much higher rate of interest, and he has sent in web links, but I can't see anywhere that his comparison is for a "like for like" investment. There may well be a higher rate of interest paid by an alternative provider, but I'm not persuaded that the examples he's given us did provide either higher rates over the same period or were available in May 2017 when Mr M was looking to invest his money. Overall I am not persuaded that Mr M has lost out financially or that he would have done anything differently. And so it wouldn't be fair for me to say that Santander should pay anything towards the financial loss he says he's suffered.

my final decision

For the reasons I've given my final decision that I partially uphold this complaint.

My decision is that Santander UK PLC should pay Mr M £100 if it already hasn't done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 February 2020.

Sejal Karia
Ombudsman