

complaint

Mr C's brought this complaint on behalf of his late son G. Mr C complains that Santander UK Plc gave G misleading information about his account, causing G serious distress.

background

When G had some money problems, he agreed a debt management plan with Santander. He started paying £106.67 per month. In return, Santander permanently froze interest and charges.

G also had a successful claim against Santander for his payment protection insurance ("PPI"). He received £2,264.74 as compensation. This was applied against the money G owed Santander. He received a small amount from the compensation – £68.83. And so G thought the PPI compensation had paid off his remaining debt. He couldn't understand why he was still paying money on the debt management plan, and mentioned it to friends and family. Mr C says Santander told his son the PPI payment cleared the outstanding debt.

Sadly, G later died. Mr C started to deal with Santander to sort out the issue of the outstanding debt owed by his son's estate. And Santander sent Mr C several letters saying the debt had been cleared. But Mr C was being told differently in letters sent on Santander's behalf by a debt collection agent. Those letters said money was still outstanding. Mr C says he spent about a year trying to sort things out with Santander and its agent.

Santander says it told G the PPI compensation had only cleared the arrears – not the full debt. And that it hadn't been chasing the outstanding debt before G died because he'd been making regular repayments under the agreed debt management plan.

Our adjudicator thought Santander hadn't made the position clear and its conflicting information had caused confusion. She suggested Santander pay £500 to recognise the problems that had caused. The bank agreed, but Mr C didn't feel able to accept the proposed outcome.

my findings

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

Having done that, I've decided to uphold the complaint in part. I'll explain why.

Santander's shown us letters it sent G about his outstanding debt after applying the PPI compensation. I think Santander's letters clearly told G that only the arrears had been paid and so there was still an outstanding debt to repay. It's possible Santander might have told G something different. I know it's important to Mr C to find out who did so, and when. But there's no record of this and I'm afraid I don't think I will ever be able to find out for him.

Santander has written off the outstanding debt, given the overall value of G's estate. And the evidence I've seen is that Santander correctly explained the position to G in the letters it sent him. But it's also clear that the bank failed to do this when dealing with G's estate.

I've no doubt this must've been distressing to Mr C. And it seems right for Santander to offer some form of compensation, though I realise no amount of money will compensate Mr C for

the loss of his son. Santander has offered to pay £500 to recognise the confusion its correspondence caused. In light of my findings, I think that's a fair way to settle matters.

my final decision

My final decision is that Santander UK Plc has made a fair offer to pay £500 in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision on behalf of G's estate before 3 August 2015.

Amrit Mangra
ombudsman