

complaint

Mr A complains that Santander UK Plc entered his debts into a debt management plan without his consent.

background

In January 2009 Mr A's late wife signed a form authorising her creditors to disclose to a debt management company any information that company required. The form also had Mr A's name on it, but he never signed it. Yet his debts with various banks, including Santander, were still added to a debt management plan. Mr A complains that Santander should not have allowed his debts (an overdraft and a credit card account) to be included in the debt management plan without his signature.

In 2011 Santander apologised and paid him £100. Mr A continued to complain, and in 2016 Santander recognised that it had not adequately addressed his concerns and apologised again. It accepted that not only had it acted without his authority, but a debt management plan had never been necessary because prior to entering the plan Mr A had always made his full payments to Santander on time. Mr A had proved that he'd kept making payments to the debt management company (despite not having agreed to the plan), but the company had not forwarded his payments to Santander. As a result, Mr A's account had been defaulted and well over £1,000 of fees and interest had been charged. So Santander refunded all of the fees and interest, and removed the default from Mr A's credit file. It also offered to pay him £1,750 for his trouble.

Mr A was not satisfied with Santander's offer, and so he brought his complaint to our service. He described in detail the difficult circumstances he and his family have lived with over the last seven years and the impact this error has had on him. He asked for the maximum compensation this service can award, which is £150,000. But our investigator thought that Santander's offer was a fair one, and so she did not recommend that it do anything more.

Mr A asked for an ombudsman's decision. He said (quite understandably) that his late wife is worth much more than Santander has offered. So this complaint has been passed to me.

my findings

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

I would first like to say how very sorry I was to read about the extremely challenging and unfortunate circumstances which Mr A and his family have had to endure for many years. I won't detail them all here because they are well known to the parties, and they might also enable someone to identify Mr A even though I haven't named him. It is enough for me to say here that they include the ill health and tragic death of his wife, and a great deal of adversity. So I am certain that his request for the maximum compensation allowed was made in good faith, and for genuine and very understandable reasons. I do hope that he will understand that Santander's offer, and our investigator's endorsement of that offer, were in no way intended to reflect the value of his wife's life, or the extent of his problems overall. Rather, the offer is explicitly *not* intended to be compensation for all of that, or even a fraction of it.

Mr A holds Santander (and his other creditors) responsible for everything that has happened. In particular, he says that Santander's actions caused his wife so much stress (partly as she blamed herself for what happened) that they directly caused or contributed to her demise. But Santander and the investigator did not accept that this was the case, and so the offer was never meant as compensation for that.

I agree with Mr A that what happened was certainly not his wife's fault. I agree that Santander did not have his authority to include his debts in a debt management plan. If Santander had not made that error, then Mr A's account would not have defaulted. He may well have paid Santander back in full by now, but for the fact that the debt management company didn't forward his money to Santander – or the fact that he shouldn't have been in a debt management plan in the first place.

But I'm afraid I don't think it follows that Santander is responsible for everything that has befallen Mr A and his family since 2009. In particular, I don't think that Santander is responsible for his ill health, the loss of his job, or the ill health of his family. And while Santander's actions have contributed to the state of Mr A's credit file, that is likely to be primarily the fault of the debt management company, which was dealing with a number of Mr A's creditors.

Santander's contact notes for Mr A's credit card account show that in 2009 he was frequently in contact with Santander, and he discussed the debt management company with Santander a number of times. He doesn't appear to have made it clear to Santander that he didn't want the company to represent him. That doesn't get Santander off the hook, because it still shouldn't have dealt with the company without his signed authority. But I do think that if Mr A didn't want to be in the debt management plan, then he could have just told Santander that at the time. Instead he appears to have first complained about being enrolled on the plan in 2011. And he could have made his monthly payments to Santander instead of to the debt management company.

So for these reasons, I do not think I should order Santander to do more than it has offered to do.

my final decision

My decision is that the compensation offered by Santander UK Plc is fair, and that it must pay Mr A the £1,750 it has offered him (in addition to the £100 it has paid him already).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 March 2017.

Richard Wood
ombudsman