

## **complaint**

Mr R complains that Santander UK Plc failed to stop a continuous payment authority (CPA) when asked to and took over a year to resolve the problem. This resulted in him incurring fees, charges, interest and the bank placing an adverse notice on his credit reference file.

## **background**

In December 2011 Mr R took out a contract for services with a major supplier and entered into an agreement to make monthly payments by CPA. The supplier mistakenly set up two monthly payments. When Mr R noticed this he contacted the bank and was told to contact the supplier. It in turn sent him back to the bank. This went on for some months before the bank agreed to stop the payments. Mr R asked for the previous payments to be repaid and while some were refunded, a number were refused by the bank.

After a complaint had been made to this service the bank offered to refund the payments from September 2012. The bank was unwilling to deal with previous payments as it claimed that Mr R had not notified it of the problem until August 2012. In the course of this dispute when Mr R was unable to stop the bank paying the CPAs he stopped putting money into his account. This resulted in the bank entering adverse notices on his credit reference file.

The adjudicator liaised with the supplier who agreed that Mr R had been charged twice and wished to refund him via his bank. Eventually the bank agreed that all the duplicate payments should be repaid. Following discussions with the adjudicator the bank has also agreed to refund all fees, charges and interest that arose as a result of the double payments. It has also offered to pay compensation of £270.

The adjudicator has recommended that the complaint be upheld and that all the disputed payments, fees, charges and interest be refunded and that a payment of £270 be made for the distress and inconvenience suffered by Mr R. In addition he has requested that the bank remove the adverse information on Mr R's credit file. This has been accepted by Mr R. The bank accepts the recommendation except the part concerning the adverse information. It considers Mr R should have funded his account while the complaint was being resolved.

## **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 find that the bank, rather than help its customer deal with the original error made by the supplier, has compounded his problems. I consider that the level of service it provided when dealing with the original problem and its handling of the complaint have fallen far short of acceptable standards.

The bank claims that Mr R first contacted it in August 2012. However looking at the letters Mr R has provided I accept that he had phoned the bank prior to this. I accept that he had been in contact with the bank and the supplier prior to August 2012 to get the double payments stopped and was being passed between the two.

The bank's terms and conditions set out what it should do when a customer asks for a CPA to be stopped.

They say:

*"If you are stopping a recurring debit card transaction (that is, a continuous payment transaction on your debit card initiated by a payee and authorising us to make payments we will stop the payment provided that we receive notice from you no later than close of business on the working day prior to the date the payment was due to be made. We recommend that you also tell the payee."*

The bank had no reason to ask Mr R to contact the supplier. It should have stopped the payments when requested. In fact it carried on taking the payments through to the summer of 2013, over a year after being asked to stop them.

The bank refused to refund the early payments as they fell outside its 120 day time limit. However, for reasons that have not been explained some older payments were refunded while others were rejected. In his investigations the adjudicator obtained confirmation from the supplier that the disputed payments were never authorised by Mr R and should not have been taken. The bank then agreed to refund all the disputed payments. It also agreed to refund charges, fees and interest.

It is clear that Mr R became increasingly frustrated with the bank's handling of the matter and in an effort to stop the disputed payments going out he stopped funding his account. This meant the bank removed his overdraft facility and then it placed adverse entries on his credit reference file. Given the bank's handling of his complaint I am not surprised by Mr R's action. In these particular circumstances, I can see why he thought it was the only practical way he could take some positive action.

I find that the cause of Mr R ceasing to fund his account was the extremely poor level of service provided by the bank. I consider it is unreasonable to place adverse information on his credit reference file for his being overdrawn when that ultimately resulted from the bank's actions.

### **my final decision**

My final decision is that I uphold this complaint. In full and final settlement of it I order Santander UK Plc to:

- Refund all the continuous payment authority payments in dispute here.
- Refund all fees and charges relating to the payments to the supplier as above.
- Refund all unauthorised overdraft interest paid by Mr R since December 2012.
- Pay Mr R £270 for his distress and inconvenience.
- Remove adverse data for this account from Mr R's credit reference file, covering the period April 2013 to December 2013.

Ivor Graham  
**ombudsman**