

complaint

Mr W – who holds a Power of Attorney (POA) to deal with Mrs W's financial matters, complains that Santander UK Plc failed to act on his instructions when Mrs W's fixed rate bond matured on 1 February 2017.

background

The background to this complaint, and my initial conclusions, were set out in my provisional decision dated 14 March 2018 - a copy of which is attached and forms part of this final decision.

In my provisional decision I explained why I thought this complaint should be upheld and what should happen to resolve the complaint. I invited both parties to send any additional comments or evidence they wished to make.

Mr W said he accepted the provisional decision. Santander didn't provide any further information for me to consider and it agreed to make the additional compensation award.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As neither party has provided any further information for me to consider, I see no reason to change the conclusions I came to in my provisional decision.

my final decision

For the reasons I've given above, and in my provisional decision, I uphold this complaint. I require Santander UK Plc to pay to pay Mr W £300 compensation (less anything already paid to him) in recognition of the distress and inconvenience caused. And that it should accept Mr W's maturity instructions when the current bond matures in 2018 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W on behalf of Mrs W to accept or reject my decision before 30 April 2018.

Sandra Greene
ombudsman

copy provisional decision of 14 March 2018

complaint

Mr W – who holds a Power of Attorney (POA) to deal with Mrs W's financial matters, complains that Santander failed to act on his instructions when Mrs W's fixed rate bond matured on 1 February 2017.

background

Mr W registered a POA on Mrs W's account in 2011. At the time, Mrs W held a bond account in her name and on several occasions between 2011 and 2016 Santander has accepted Mr W's instructions when the original and subsequent bonds matured.

Prior to maturity of Mrs W's Bond in 2017, Santander wrote to Mr W asking for his instructions. Mr W doesn't dispute that he didn't deal with the request in time as he was away on holiday. As a result, the matured bonds funds – in line with the terms of the bond, were automatically placed in a 'default' savings account.

Mr W hasn't said Santander acted wrongly in doing this. But he says when he contacted Santander a few days after maturity to instruct it to a) deposit the majority of the matured funds into a new one year fixed rate bond. And b) transfer the remaining sum to Mrs W's current account held with another bank, it refused to action the transfer of funds to Mrs W's account as it didn't have the correct authority to do so. Although it seems Santander did open a new one year fixed rate bond – albeit, it says that this shouldn't have happened.

Santander initially said that it could no longer accept Mr W's instructions for Mrs W's account because it had lost the POA documents. It later said that the POA registered in 2011 only related to the accounts listed on the original POA registration form in 2011. And it has since shown that its procedures for registering a POA have changed. In the past the registration only related to specific accounts listed on the registration documents, whereas now new registration documents relate to not only any existing accounts but also any new accounts opened.

It went on to say that it had previously accepted Mr W's maturity instructions because as each bond matured the POA transferred to the next bond automatically. But it also said that this arrangement didn't extend to the 'new' savings account opened in February 2017 because that wasn't covered by the POA Mr W had previously registered with it. It said this ended with the maturity on the bond in 2017 when the funds weren't reinvested.

When Mr W complained to Santander it ultimately said that Mr W needed to re-register the POA so that it can accept his instructions to act on Mrs W's behalf. But it did offer Mr W £100 compensation for the inconvenience caused as a result of having to resubmit the forms. Mr W didn't accept this and he referred his complaint to us.

One of our adjudicator's looked into the complaint. Ultimately he agreed with Santander that Mr W should complete the required forms to re-register the POA. But he felt Santander should offer Mr W a further £200 – in addition to the original £100 offered, for the distress and inconvenience caused.

Neither party agreed. In summary Santander said the amount the adjudicator had suggested was too much as it didn't think it had done anything wrong. Mr W thought that Santander should be told to act on the instructions he had already given. So the complaint has come to me to reach a final decision.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Some of the problems Mr W has encountered here are due to Santander changing the way it registers a POA (as mentioned above). It says, and I am satisfied, that this has changed over the course of Mrs W's relationship with it.

But Santander has told us that it accepted Mr W's maturity instructions because as each bond matured the POA transferred to the next bond automatically. But it says this doesn't apply to the 'new' accounts opened in February 2017. So I've thought carefully about this. And I don't agree with Santander that the accounts opened in February should be treated any differently to each new bond it had previously opened on Mr W's instructions. Rather, I think that the first 'new' savings account opened in February 2017 came about as a direct result of the terms of the maturing bond – it was a 'default' account when maturity instructions are not received. So I think the POA should have automatically transferred to that account as it did the previous bonds that were opened.

Mr W contacted Santander a few days later, and I accept that the instructions he gave Santander at this time were the same instructions he would have given if he hadn't been away when the maturity letter was sent to him. So I also think Santander treated Mr W unfairly when it refused to act on the instructions he gave to it in February 2017.

Mr W has told us that neither he nor Mrs W has suffered a financial loss as a result of this. And from what I've seen, it seems that Santander did open the new bond Mr W asked for in February 2017.

I can see that Mr W has suggested that Santander should allow him to withdraw these funds without penalty as he no longer wants to do business with it. But I don't agree with Mr W on this point. Although Santander has maintained that the bond shouldn't have been opened, it seems to me that Mr W got what he originally wanted at the outset – he has clearly said his intentions were for the funds to be re-invested in a new one year fixed rate bond. And ultimately that's what happened. In any event, this is now probably a moot point - given that the bond was due to mature in March 2018 anyway. That said, because of the reasons given above, I would expect Santander to accept Mr W's maturity instructions as it did when the other bonds matured.

I can see that Santander refused to transfer the remaining balance to Mrs W's bank account held with another provider. But I also note that Mr W has since told us that he has been able to withdraw these funds through a local branch. And that the money has since been deposited in Mrs W's account elsewhere as he intended. So I don't think I need to make a finding on this point other than to reiterate that – for the reasons given above, I think Santander should have actioned Mr W's instructions when he gave them in February 2017. And as it didn't do so, I think Santander has caused Mr W unnecessary distress and inconvenience that he should be compensated for.

I note Santander thinks the amount recommended by the adjudicator is too high. But taking everything into account, I think (albeit for slightly different reasons) the recommendation made by the adjudicator – that Santander should pay Mr W a further £200, in addition to the £100 initially offered (£300 in total), is reasonable in the circumstances.

my provisional decision

I'll consider any further comments received by 28 March 2018. But unless anything changes my mind, for the reasons given I intend to uphold this complaint. And I intend to direct Santander UK Plc to pay Mr W £300 (less anything already paid to him) for the compensation for the distress and inconvenience caused and that it should accept Mr W's maturity instructions when the current bond matures in 2018 if it hasn't already done so.

Sandra Greene
ombudsman