

complaint

Miss H complains that Santander UK Plc gave her incorrect information when she asked how much interest she'd need to pay.

background

Miss H had been making a lot of cash transactions on her credit card. She was worried, so she phoned Santander to ask how much interest per month she'd be charged on cash transactions. The adviser told Miss H, incorrectly, that the interest rate was 29% per month. This would mean very substantial interest on her cash transactions.

Miss H says she's not had a credit card before and didn't know what to expect the interest rate to be. She'd only planned to use the card to make purchases, and the interest rate for those was 0% at the time.

Miss H says that in the circumstances, the agent's answer came as a shock to her and sent her into a state of panic. She says she thought she'd be in debt for the rest of her life, and she felt that she couldn't carry on. And she says she thinks the stress impacted on her physical health too.

Santander apologised for the distress Miss H was caused by its adviser's poor level of service. It confirmed that it had given feedback to the agent and it explained to Miss H how to calculate monthly interest on cash transactions. It refunded a £12 over-limit charge to Miss H and paid her £60 compensation. But Miss H doesn't think the compensation that Santander paid her adequately reflects the effect that its mistake had on her.

Our adjudicator recommended that the complaint should be upheld. She said Miss H was in a very vulnerable position and had made Santander aware of this. She recognised that Santander had since given Miss H the correct information. But she acknowledged that bringing the complaint had caused Miss H further distress. She recommended that Santander pay Miss H a further £40 compensation to bring the total to £100.

Santander has agreed to the adjudicator's suggestion. But Miss H is unhappy. She says, in summary, that the mistake caused her a lot of distress, as she was in a vulnerable position. She doesn't consider £100 to be enough to reflect this.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same conclusion as the adjudicator, for similar reasons.

It isn't in dispute that Santander's agent dealt poorly with Miss H's query. Miss H had been struggling with an addiction, which she'd been working hard to overcome. And she suffered from poor mental health. I can understand how Santander's response to her question made her despair.

But Miss H checked the terms and conditions of the account and discovered reasonably quickly that the information she'd been given was wrong. The interest per month is nothing like as high as she was led to believe when she spoke to Santander on the phone.

I acknowledge that it was only because she looked into the issue herself that Miss H realised that Santander's agent had made a mistake. I don't underestimate the stress and anxiety the incorrect information she was given caused her. And I appreciate that if she hadn't taken the initiative and discovered the true position herself, the impact might have been considerably worse. But it isn't our role to fine or punish banks. I know Miss H feels strongly that Santander should pay her more compensation. But taking everything into account, I consider the compensation that Santander has now agreed to pay Miss H to be reasonable.

my final decision

My decision is that Santander UK Plc should pay Miss H a further £40, as it has agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 8 April 2016.

Juliet Collins
ombudsman