

## **complaint**

Mr E complained because his account with Santander UK Plc was overdrawn. He believed the debt had been caused by an error by Santander.

## **background**

Mr E authorised a payment from his Santander account on 24 November 2015. It was for £3,100 and was to a currency trading organisation. The bank moved the money he'd authorised to a "withholdings" area ready for the merchant to claim the money.

Mr E looked at his mobile app, and saw his balance had been reduced. He was also expecting a promotional payment of £3,000 from the currency trading organisation, and another credit from a family member, also for £3,000.

After three days, the money hadn't been claimed so Santander moved it back to Mr E's account, but Mr E was still liable for whenever the merchant did claim it. Mr E saw on his mobile app that his balance was now around £3,000 higher. He thought this was either the promotional payment or the credit from the family member. On 28 November, Mr E authorised a further payment, for £3,000, to the same currency trading organisation.

The merchant claimed both payments, a total of £6,100, on 2 December. Mr E's account went overdrawn.

Mr E rang Santander. At first, the bank told him it was a duplicate, and he should contact the currency trading organisation. The currency trading organisation told him it hadn't yet sent the promotional payment, but it had taken the correct two initial payments. Mr E also found out the family member hadn't yet sent the credit.

Mr E spoke to Santander again, and they worked out what had happened. But they couldn't agree who was at fault. Mr E also said he wouldn't have used the money to trade and make currency trading losses in the way he had done, if Santander hadn't told him it was a duplicate. He said he had checked his account balance using the app, because Santander had previously told him to do that, so he wouldn't incur unauthorised payment overcharges.

Mr E was also unhappy because two weeks' wages had been swallowed up by the debit, and it would be difficult for him to pay rent and other bills. He said it would also affect his credit score in a negative way.

Santander replied to Mr E's complaint. It said that Mr E should have checked the money movements on his account on his app, not just the balance. And it said the debt was still outstanding and would have to be repaid, and an informal arrangement was discussed. But Santander said it appreciated some confusion may have occurred and it credited £100 to Mr E's account, which it believed was a fair and reasonable gesture. Mr E wasn't satisfied and complained to this service.

The adjudicator considered that the fact Santander had released the first payment money back into Mr E's account after three days didn't mean the money wouldn't be taken. The currency trading organisation could take it at any time within six months. She said it was up to Mr E to check the account before making more transactions. Mr E knew he'd previously made a transaction for £3,100 when he authorised the second payment. She agreed it was

poor service that Santander had initially told Mr E, wrongly, that the second payment was a duplicate, but she thought the payment of £100 was fair compensation.

Mr E wasn't satisfied. He said he had checked his account balance. He didn't agree it was the same as ordering something for which payment might be taken up to six months later, because he had been able to use his currency trading account straightaway.

### **my findings**

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

I can understand that Mr E was frustrated when he did check his account balance on his app, as Santander had previously advised him to do in order to avoid charges. But unfortunately he also needed to check the actual transactions on his account. This would have meant he could have seen why the balance was higher than he'd have been expecting after authorising the £3,100 payment. I can see that he assumed it was either the promotional money from the currency trading company, or from the relative, but as he found out the hard way, it wasn't safe to assume this. And as the two payments to the currency trading company were both properly authorised, I can't say that they shouldn't have been debited, or that Mr E doesn't have to pay for them.

Mr E thinks it shouldn't be the case that the payments can be taken for up to six months, because he'd been able to use his currency trading account straightaway. I agree that it's surprising that he was able to do so, when the currency trading organisation hadn't yet taken his money. But that was a risk which that organisation chose to take, perhaps because it might have had certainty in Mr E's authorisation – and in any case, I can't find that it was Santander's fault.

I've looked at the £100 compensation which Santander paid Mr E for wrongly telling him, when he first rang, that the second transaction was a duplicate. This was a mistake, but Mr E did know he'd actually authorised two transactions, and I find that £100 was fair and reasonable for the bank's mistake. So I don't require the bank to do anything more.

### **my final decision**

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 14 April 2016.

Belinda Knight  
**ombudsman**