

complaint

Mr and Mrs B have complained that Santander UK Plc (“Santander”) mis-sold them a Premier 50 packaged bank account in 2009. They paid a monthly fee for the account which included a number of benefits.

background

One of our adjudicators has looked into Mr and Mrs B’s complaint already and he thought that Santander had mis-sold the Premier 50 account. In his view, Santander hadn’t given them a clear choice on taking the account. Santander accepted this but said that it shouldn’t have to pay any compensation as Mr and Mrs B hadn’t suffered a financial loss as a result of having the account. But as Santander hasn’t been able to evidence this, the complaint has been passed to me for a final decision.

my findings

I’ve considered all the available evidence and arguments and I’ve decided what I think is fair and reasonable in the circumstances of this complaint. We’ve explained how we handle complaints about packaged bank accounts on our website. And I’ve used this approach to help me decide Mr and Mrs B’s complaint.

I’ve carefully thought about everything I’ve seen on this complaint. Having done so, I’m going to ask Santander to show Mr and Mrs B they haven’t suffered a financial loss. I’d like to explain why.

Santander has now accepted that it mis-sold the account to Mr and Mrs B. So I don’t have to look at how the account was sold. Santander has suggested that Mr and Mrs B aren’t entitled to any compensation because they saved money as a result of having the account. Santander has said that Mr and Mrs B didn’t pay unpaid item fees and unauthorised overdraft charges that they would’ve otherwise had to pay if they’d had a free account. But it hasn’t provided anything to support this, or provided a breakdown on how it has arrived at its figures.

Equally, Santander has also said that Mr and Mrs B did pay some unpaid item fees and some unauthorised overdraft charges while they held the Premier 50 account. So it’s difficult for me to accept at face value that Mr and Mrs B would’ve had to pay the charges that Santander say they would if they’d had a free account. And I haven’t seen enough here to be able to safely say that Mr and Mrs B haven’t suffered a financial loss as a result of being mis-sold the Premier 50 account. As this is the case, I’m upholding Mr and Mrs B’s complaint and require Santander to calculate any compensation that may be due by following the instructions set out in the section of this decision entitled ‘*what Santander needs to do to put things right*’.

what Santander needs to do to put things right

To put matters right, Santander should put Mr and Mrs B back into the position they would’ve been in, if they hadn’t taken out the Premier 50 account. So Santander should:

- refund and pay to Mr and Mrs B the fees they paid for the Premier 50 account; and

- add interest at 8% per year simple on each of the above amounts from the date the fee was paid to the date of settlement[†];
- if Mr and Mrs B did save money as a result of not having to pay charges (such as unpaid item and unauthorised overdraft fees) that they would've otherwise had to on a fee free account then Santander can deduct this from any money due to Mr and Mrs B. But Santander has to explain and clearly show Mr and Mrs B why they would've had to pay these fees if they'd had a fee free account. Should the amount Mr and Mrs B saved be more than the amount of any compensation due then Santander don't have to make any payment to Mr and Mrs B.

[†]HM Revenue & Customs requires Santander to take off tax from this interest. Santander must give Mr and Mrs B a certificate showing how much tax it's taken off if they ask for one.

my final decision

For the reasons I've explained, I uphold Mr and Mrs B's complaint. Santander UK Plc should calculate how much compensation, if any, is due to Mr and Mrs B in line with the instructions set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 3 May 2016.

Jeshen Narayanan
ombudsman