

## **complaint**

Ms G has complained that Santander UK Plc has failed to assist her in recovering money paid by standing order to an incorrect account. As a result of the payments going to the wrong account, her mortgage has been in arrears.

## **background**

Ms G has a mortgage held with Santander. Between June 2012 and January 2013 no payments were received to the mortgage account from Ms G's current account, held with a different bank, which I will call Bank D.

In January 2013 Ms G says she became aware that a standing order she had set up for her mortgage repayments with Bank D had been going into the wrong account. Ms G says that she had set up the standing order online and had made an error when doing so. She explains:

*"This had happened as both payment accounts/recipients were set up on my online banking adjacent to each other. In total, payments to the value of £5,190 had been paid into the [other] account in error".*

Ms G contacted Santander, which directed her back to Bank D from which the payments were made. Ms G says that Bank D told her it was unable to help.

Santander eventually contacted the person who received the money, but had no authority from that customer to recover the funds. It seems Santander told Ms G it had already started this process, when it had in fact not done so.

After Ms G complained, Santander offered to pay compensation of £400 for its poor complaint-handling and for telling Ms G it had already contacted the third party, when it had not. Santander also agreed to refund £350 interest charged on the arrears.

Our adjudicator was satisfied that this was fair. She considered the issue about recovery of the money would need to be pursued in court.

Ms G disagreed and asked for an ombudsman to review the complaint. In summary Ms G considers Santander's customer service to have been poor and that it has failed to treat her fairly.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It is not disputed that the initial error in setting up the standing order was Ms G's. What I have to decide is the extent to which Santander is responsible for the consequences of that error, and what, if any, compensation should be paid.

I must make it clear to Ms G that it is only because she has a mortgage with Santander that we are able to look at this complaint. The payments were sent to another bank in the Santander group of companies.

Generally where a customer has made an error in setting up a standing order, we cannot consider a complaint by that customer against the recipient bank if it is not the same bank with which the customer's current account is held. Under our rules we can only consider complaints from consumers who have a "*customer relationship*" with the financial business they are complaining about.

So although in this case Ms G has no customer relationship with the other bank in the Santander group in relation to the current account and the standing order, because there were implications for her mortgage account, we have decided to consider the complaint. If the recipient account had been with a bank that wasn't part of the Santander group, we would not be able to consider it.

But I agree that Santander's customer service was poor. It shouldn't have told Ms G that it had started its process to contact the recipient when it hadn't done so. But I'm satisfied that, even if it had done so in early 2013, this wouldn't have made any difference. I say this because it appears the money was withdrawn almost immediately after every deposit and so would not have still been in the account even if Santander had acted sooner. Santander also needed authority from the recipient to take the money back, even if it had still been in the account.

Santander has asked the recipient of the money to repay it, but that person has declined to co-operate. Ms G will need to pursue this issue through the courts. The Financial Ombudsman Service has no power to obtain any information about the account of a third party without that person's consent, because of reasons of customer confidentiality. So although I appreciate this is likely to cause Ms G some inconvenience, the court is really the only way in which she can look to have her money returned by the person who has taken it.

Santander has offered £400 compensation for poor customer service and to refund £350 in additional interest charged to the mortgage account. I think this is fair in all the circumstances and so I don't require Santander to offer anything more in addition.

### **my final decision**

My decision is that I do not uphold this complaint in that I'm satisfied the compensation already offered by Santander UK Plc is fair in all the circumstances. I simply leave it to Ms G to decide if she wants to accept it in full and final settlement of her complaint.

Jan O'Leary  
**ombudsman**