

complaint

Mrs B's unhappy with the way Santander UK Plc dealt with and then closed her account.

background

Mrs B says Santander didn't update her address and she wasn't aware her account was going to be closed and a default applied. She's concerned her account information may have been disclosed to her partner. And she's unhappy with the level of service during the complaint.

Our adjudicator felt this complaint should be upheld. He said:

- Mrs B says she told Santander of her new address in August 2014. And between then and January 2015 she didn't receive statements and wasn't aware of the account status or the charges being applied.
- Mrs B's statements show she didn't use her account in this period apart from ensuring it remained within its agreed overdraft limit. Santander hasn't been able to confirm it received a change of address instruction. Even so it's agreed to refund the charges incurred from September 2014 and pay £80 for the distress and inconvenience caused.
- Although Mrs B's email on 2 March 2015 confirmed she would update her address in branch this wasn't done. Her statements also suggest she was monitoring her account. The last credit was made into it on 25 September 2015. The account continued to accrue charges and it entered collections and a default was applied in February 2016.
- The collection notes show a returned mail indicator was put on the account in January 2015 but despite this, collections kept writing to her at the old address. Although Mrs B could log in and monitor her account she wouldn't have known her account status or that a default was registered.
- He's satisfied from listening to the phone calls between the bank and Mrs B's partner that her account details weren't divulged. But he was told her account was in collections. This is a breach of Santander's duty of confidentiality.
- Santander made multiple errors which could've been resolved considering she'd a joint account with the correct address on file. Santander's offer of refunding a total of £576 in charges and to amend her credit file doesn't reflect the distress and inconvenience caused.
- So, Santander should also pay Mrs B £400 compensation and immediately remove all adverse information on her credit file. It should also allow her to set up an interest free repayment plan over at least 12 months to repay the outstanding debt.

Santander didn't agree. In summary it said there was nothing to suggest Mrs B had contacted it to change her address prior to her complaint in early 2015. It's given her the benefit of the doubt and refunded charges from August 2014. The joint account wasn't changed until some months after she appears to have moved. Mrs B refused to have the address changed over the phone. She could've also changed her address online. Its

collections sent two letters to her new address in March and November 2015 asking her to confirm her address.

Since then Santander has agreed there was an error issuing the default notice. Its offered Mrs B £250 compensation for the distress and inconvenience caused. It's also offered a repayment programme with the collection agency and to remove the default once the debt has been repaid.

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 agree with the adjudicator's conclusions for the same reasons.

I accept Mrs B could've reasonably done more to tell Santander of her new address.

Even so the simple fact remains that Santander has made a number of errors and could've dealt with her better on occasions. It's also disclosed, albeit limited, confidential account information to her partner.

I note Santander's previous acceptance that an error has been made and what it's already done and offered to do to put things right. But I don't think these go quite far enough.

Mrs B has been caused trouble, upset and inconvenience by what's happened and I think it's fair she's properly compensated for this.

I also think its fair for the default and any adverse information about it to be removed from Mrs B's credit file. But, for the avoidance of doubt, I think Santander is entitled to now record the outstanding debt and how any repayment programme is administered.

Taking everything into account, including the level of awards we make, I think the adjudicator's proposed resolution of this complaint is fair and reasonable. And I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I uphold this complaint and, in addition to what it's already done, I require Santander UK Plc:

1. To pay Mrs B a further £400 compensation;
2. To immediately remove the default and any adverse information about it on her credit file; and
3. To allow her to set up an affordable interest free repayment plan over at least 12 months to repay the outstanding debt.

Santander must pay the compensation within 28 days of the date on which we tell it Mrs B accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

If Santander considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mrs B how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 3 March 2017.

Stephen Cooper
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