

## **complaint**

Miss B complains that Santander UK Plc has not paid her sufficient redress to cover all the extra fees she incurred as a result of a bank error which Santander took some two years to resolve.

## **background**

Miss B complained to Santander about its failure to cancel a continuous payment in accordance with her instructions - and the bank agreed it had made an error. It refunded her fees relating to the transaction, plus 8% simple interest to compensate her for being without the funds used to make the continuous payment and the fees debited. And it paid her £50 as a goodwill gesture.

Our adjudicator felt this wasn't adequate redress. He feels that although the bank calculated its refund by reference to the date of the last incorrect continuous payment, it should also refund other charges Miss B incurred. And if the bank had paid Miss B the amount it owed her when the last payment debited, then any overdraft Miss B incurred later that was under that amount would have been covered. So it's fair to say the bank should provide redress for this too.

Santander says it made a small error when it calculated the refund it paid her - so it has offered to pay this back to Miss B – with interest. And it has offered an additional £50 payment for the inconvenience caused by the incorrect calculation previously carried out. But it doesn't agree that any further redress is warranted, so the complaint has been referred to me.

## **my findings**

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

Santander has accepted responsibility for the bank error that has led to this complaint. So I just need to decide whether the redress paid and offered is fair and reasonable.

I can understand why Santander has taken the view it has. But, I agree with our adjudicator that, looked at overall, this isn't sufficient redress in these circumstances.

I say this because the role of the Financial Ombudsman Service is to put customers back into the position they would have been had the mistake not occurred. Due to the length of time it took Santander to resolve Miss B's complaint, her financial circumstances were significantly and adversely affected for a period of years. I think it is fair to say that, given her financial situation throughout this time, this made it more difficult for her to budget effectively and manage her finances – and I consider this must have been a very frustrating and worrying experience for her.

I think it's reasonable to take the view that, had Santander paid Miss B what it owed her, as soon as it stopped making incorrect continuous payments out of her account, it's likely her financial situation might have been significantly different.

I say this because Miss B's account went into credit in the same month that the last continuous payment was made - but barely a couple of months later, she had to use her arranged overdraft facility again. So I think it's reasonable to assume that she hadn't been

able to regain control of her finances as quickly as she'd hoped to do - and I don't feel I can safely assume that this had nothing to do with the way Santander had mismanaged her continuous payments during the preceding couple of years.

Santander has already agreed its original refund calculation was incorrect – and it is willing to pay another £50 compensation.

I consider Santander should refund Miss B all the charges and interest that she has incurred since the last continuous payment transaction was paid out of her account.

And, taking into account the length of time taken to resolve this complaint, I find that £200 (to include Santander's offer to pay a further £50) is fair and reasonable redress in recognition of how upsetting and problematic this matter has been for Miss B.

### **my final decision**

For these reasons, my decision is that I uphold this complaint. In settlement, if Miss B accepts my decision in full and final settlement of her complaint, Santander UK Plc should:

- refund all charges and interest incurred by Miss B since the last continuous payment transaction was paid out of her account.
- pay Miss B £200 fair compensation

Under the rules of the Financial Ombudsman Service, I am required to ask Miss B to accept or reject my decision before 19 March 2015.

Susan Webb  
**ombudsman**