

## **complaint**

Mr T complains that Santander UK Plc mishandled payments between his current account and his loan account.

## **background**

Mr T was paying his Santander loan by monthly instalments of about £235 from his Santander current account. In about April he consolidated his borrowing and paid off the Santander loan. But in May Santander took another instalment and had to refund it. In June that happened again. But this time Santander refunded the payment twice. It accepted that it had made a mistake. It paid Mr T £130 compensation. He complained that Santander said that its duplicated refund meant that he still owed a balance.

The adjudicator recommended that the complaint should be upheld in part. She thought that – when Santander took the June payment – this error pushed the consumer into his overdraft. She recommended that Santander should:

1. ask Mr T to pay back only half of the amount;
2. take the negative details off his credit file when the account balance is brought to £0 and the account closed.

Santander agrees with the adjudicator's opinion.

Mr T disagrees with the adjudicator's opinion in part. He says, in summary, that he can only afford to repay by instalments.

## **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've looked at Mr T's bank statement for June. I accept that the bank shouldn't have taken the payment on about 2 June. And I accept that this put Mr T into overdraft.

But by 6 June his spending had increased his overdraft to more than £235. And by 7 June it was more than £300. So he would've been overdrawn without Santander taking the £235.

And I think he must've noticed the payment quite quickly because Santander made the refund on 9 June.

Santander accepts that the duplicated refund on 10 June was the result of its error.

But I don't share Mr T's view that – because it was the bank's error - it's fair for him to keep its duplicated refund of £235.

Before he brought his complaint to us, the bank had already given Mr T £130 compensation.

I think that was more than enough to compensate Mr T for any interest and bank charges – and for the upset and trouble its mistake caused him.

I don't think it was unfair for the bank to say that he owed it £235. And – unlike the adjudicator - I wouldn't have found it fair to order Santander to waive half of that.

But the bank agreed to the adjudicator's recommendation. So I find it fair and reasonable to hold it to that.

I will order Santander to credit Mr T's loan account with £117.50.

Mr T has had the benefit of the duplicated refund of £235 since 10 June. So I don't find it fair to allow him more time to repay it by instalments.

I will order Santander to remove from Mr T's credit file adverse information about the balance if and when he pays it.

### **my final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order Santander UK Plc to:

1. credit Mr T's account with £117.50;
2. remove from Mr T's credit file adverse information about the balance if and when he pays it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 30 December 2016.

Christopher Gilbert  
**ombudsman**