

### **complaint**

Mr and Mrs F complain that Santander UK plc opened a current account and transferred their direct debits to it without their consent. When they complained, it then delayed in making a transfer back to their original account. As a result some payments were missed, it had affected their credit score and they had been unable to transfer a credit card balance to a 0% rate account. They wanted the account closed, the balance reduced to zero and £3,500 in compensation.

### **our initial conclusions**

The adjudicator said that Santander had now agreed to pay £300 in compensation, to refund all charges and interest and to consider refunding any charges or interest incurred on other accounts as a result, if provided with evidence, and to offer a repayment arrangement over 20 months. The adjudicator considered that fair and reasonable. Mr and Mrs F disagreed. They said the offer was not acceptable but they would be prepared to negotiate with someone at Santander who had authority to settle the matter.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr and Mrs F and Santander have provided.

There is no dispute that Santander was at fault in setting up the account and transferring the direct debits without authorisation. While the transfer to Santander seems to have been quick and easy, the bank did not accept responsibility for helping to get the direct debits transferred back quickly. Mr and Mrs F were put to a great deal of trouble in trying to achieve that themselves. Even if, as is possible, some of the problems were caused by the organisations claiming the debits, difficulties were predictable and Santander was responsible for creating the initial problem. I consider that Mr and Mrs F deserve significant compensation, slightly more than the adjudicator proposed, for the trouble caused and should not be left having incurred any interest or charges, or any adverse credit record as a result. However I do not consider that that means the substantial overdraft which developed on the account should simply be written off: Mr and Mrs F have had the benefit of that money, and would have had to pay the direct debits in any event.

**My final decision is that I uphold the complaint, as set out more fully overleaf.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs F either to accept or reject my decision, before 18 June 2013.**

*Hilary Bainbridge*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

### **ombudsman notes**

In full and final settlement I order Santander UK plc to:

- take any action necessary to ensure that Mr and Mrs F's credit record (both regarding the Santander account and any others affected by failed payments) is not adversely affected by these events;
- on production of evidence, refund any interest or charges incurred as a result of these events (either on the Santander account or others affected by failed payments);
- pay Mr and Mrs F £400;
- offer Mr and Mrs F a reasonable arrangement to pay off the balance on the account over up to 20 months.

### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.