

## **The complaint**

A company which I'll refer to as V, complains that Santander UK Plc unfairly declined its Bounce Back Loan (BBL) application.

The complaint has been brought to the service by one of V's directors, Mr P.

## **What happened**

Mr P applied to Santander on V's behalf for a BBL of £30,000 based on a declared turnover of £120,000 on 5 May 2020. The following day, V's other director identified the turnover amount declared on the BBL application was incorrect, so Mr P called Santander to say V's turnover on the application was incorrect. Mr P said the turnover should have been £211,000 so the requested loan should be increased to the maximum £50,000 allowed under the Scheme. The bank said it would pass this information to the BBL team.

The loan agreement for the £30,000 originally requested was sent to Mr P on 7 May, which he signed and returned shortly after. The BBL was then drawn down and the funds were credited to V's account on 11 May.

A couple of days later, Mr P called Santander several times to query why V hadn't received a £50,000 BBL. Santander said it couldn't increase the loan as V had already received it. Mr P didn't think this was fair, so he made a complaint.

Santander upheld the complaint in part. The bank said it hadn't returned Mr P's calls as expected and he should have been told to cancel V's application and submit a new one - as the bank couldn't amend the original application. Santander apologised and paid £150 compensation. But the bank said that as V had already accepted the £30,000 BBL, it couldn't make any changes to V's declared turnover. Santander also said V wasn't able to borrow the additional £20,000 under either the BBL Scheme or the BBL Top-Up Scheme, as it had already had the maximum loan of 25% turnover it had originally declared.

Mr P didn't think this was fair. He said the bank's actions had prevented V from applying for the additional amount. So he asked this service to look into V's complaint.

Our investigator recommended the complaint be upheld in part. He said it was reasonable for Santander to decline V's BBL Top-Up application as it had already had the maximum 25% loan allowed under the Scheme. However, he thought the bank should have told Mr P initially to cancel the application and reapply with the higher turnover – so he thought the bank should pay a further £100 compensation.

Santander didn't say whether or not it agreed with the investigators view, but Mr P didn't agree. He believed V had been prevented from having the loan amount it was entitled to. So he asked for an ombudsman to review V's complaint.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

Having done so, I've decided to uphold it in part. I'll explain why.

Santander has accepted that it should have made it clearer to Mr P that it couldn't amend V's application and that he would need to cancel it and submit another one. And I think that by not doing so, V has been caused inconvenience as Mr P repeatedly called the bank to change the turnover on the application and increase V's BBL amount.

However, under the BBL Scheme, businesses were required to fill in a short application form and self-declare that they were eligible for the Scheme. Under the rules of the Scheme, an applicant could borrow up to 25% of their annual turnover from a minimum of £2,000 to a maximum of £50,000.

The original application form Mr P submitted for V said its annual turnover was £120,000. Mr P also agreed to a declaration which confirmed that the information was complete and accurate. I acknowledge Mr P has told us the reasons the information was incorrect. But the application he signed on V's behalf was the basis for V's loan agreement, and any borrowing provided under the BBL Scheme was based on the declarations signed by the borrower – so it was important this was accurate.

Mr P said he contacted Santander the following day and the bank agreed to increase the loan as the turnover figure for V was wrong. I've listened to the calls between Mr P and Santander; however I didn't hear the call handler say the change would be made - only that he would send a message to the processing team to request the change.

I've also looked at the timeframe for when V's application was submitted and the initial call made by Mr P. Based on the evidence available, I think it's plausible that the agreed email was still being processed through the bank's system - and therefore hadn't been added to V's case before the offer letter was sent.

I acknowledge Mr P said he didn't expect the application to have been processed so fast, but the expectation of the Scheme was that finance was available quickly to those who needed it. But when Mr P received V's loan agreement, he had the opportunity to reject the £30,000 and query why the agreement wasn't for £50,000 - but he didn't do so. Mr P returned the signed agreement to accept the terms within a couple of days which confirmed he was accepting the £30,000 on V's behalf.

The agreement says, "By signing this Agreement you declare and acknowledge that all the information given or to be given by you in applying to enter into this Agreement is correct and will be relied on by the Bank". I think Mr P ought reasonably to have been aware by this point that the information contained within the application needed to be correct as this was the basis of V's loan agreement - and that he may need to check the increased turnover figure he'd given for V the previous day had been updated on V's application before he signed the agreement.

The Scheme rules also said that a borrower could only have one BBL and did not allow for the information provided in the application or the loan amount to be amended after the loan was drawn down. So Santander wasn't able to make any changes or increase the loan amount once V had drawn down the £30,000 loan.

Overall, I think Santander caused inconvenience to V because Santander didn't give Mr P the correct information about the application – so he spent time and effort trying to change it. So I think the bank should pay V an additional £100 compensation on top of the £150 it's already paid.

**My final decision**

My final decision is that I uphold this complaint in part. I instruct Santander UK Plc to pay V a further £100 compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask V to accept or reject my decision before 29 April 2022.

Jenny Lomax  
**Ombudsman**