

## **The complaint**

Mr L complains that Santander UK Plc were unable to recall a £10,000 payment which he sent in error.

Mr L is represented by his wife in bringing this complaint. But for ease of reading, I'll refer to any submission and comments she has made as being made by Mr L himself.

## **What happened**

Mr L made a transfer of £10,000 from his personal account, to what he thought was his business account on 2 February 2021, however, the funds went to a third party instead. Mr L contacted Santander, who tried to recall the funds. They said he would receive a letter with the outcome. They weren't able to recall the funds as the recipient wouldn't return the funds. Mr L said he did not receive a letter with the outcome. Mr L made a complaint to Santander.

Santander did not uphold Mr L's complaint. They said he had completed a faster payment online and they followed their process to recall the funds, however, this was unsuccessful. They apologised for saying he would receive a letter as this was a miscommunication and they said they sent him a text message instead, informing him the case had been dealt with and closed. Santander said no further action could be taken with them to recall the funds and they advised him of his next steps, such as speaking to a solicitor in order to retrieve the funds from the third party recipient.

Mr L said Santander hadn't responded to his follow up requests to see where the money had gone. He brought his complaint to our service. Our investigator upheld his complaint in part. She said that he had input incorrect beneficiary details when setting up the payment initially, so she couldn't hold the bank liable for the money being sent to the wrong place. She said that there was an onus on him to ensure the payment details were correct before sending.

Our investigator said that Santander's terms and conditions state they will make reasonable efforts to recover any money paid out as a result of an incorrect payment. She said since it wasn't the bank who made the payment in the first place and because they raised a recall to try and recover the funds, she was satisfied Santander acted fairly and reasonably here on a best endeavour basis, but they were unsuccessful in doing so.

Our investigator said Santander's contact notes stated Mr L would receive a text message to confirm the outcome of their investigation, however, she hadn't seen any evidence to show the text message had been sent, which resulted in Mr L chasing up Santander. She said Santander should pay him £100 for the poor customer service, as he was not aware the investigation had been completed.

Mr L asked for an Ombudsman to review his complaint. He made a number of points. In summary, he said Santander's system did not check if the name of the recipient's account matched their business name as he did not enter any account information on Santander's banking page apart from selecting his company name from the drop down menu. He said the recipient who received the funds was a contractor that he used previously, and he denies that he received the funds and no longer answers Mr L's calls or emails.

## 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.

Mr L has made a number of points to this service and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I'd like to explain to Mr L that it is not within this service's remit to tell a business what their reasonable efforts should consist of to recover any money paid out as a result of an incorrect payment. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Santander to make changes to their policies and procedures, if necessary. Our service acts as an informal dispute resolution service for complaints about financial businesses. We look at the circumstances of individual complaints and, on a case by case basis, taking into account relevant industry guidance for example, make findings about whether a financial business has failed their customer.

Santander's terms and conditions state that they will try to *"use reasonable efforts to recover any money paid out of your account or not paid into your account as a result of the failed or incorrect payment."* So I've considered whether Santander have followed their process here. I'm satisfied they have and I'll explain why.

Santander have explained to me that as part of their customer payment recovery process, they contacted the third party recipient by telephone, but they did not receive a reply to the call. They also sent the customer a letter, but they have not received a response from the third party recipient. Santander have said that their process does not require a call being made to the recipient, but this was attempted on this occasion. Santander said they must obtain debit authority from the recipient and they couldn't return the funds without it. So this is why the payment recovery was unsuccessful here.

I've considered what Mr L has said about Santander's system not checking if the name of the recipient's account matches his business name as he did not enter any account information on Santander's banking page apart from selecting his company name from the drop down menu. But here, he selected a *"mandate"*, which he had previously sent money to, which he had not deleted after it was set up in 2019 (mandate number four). And when he sent the money to the contractor previously, the evidence shows from Santander's screenshots they sent me, that Mr L had entered his own business name on the payment to the contractor.

As the payment was originally set up prior to the confirmation of payee scheme which Santander have explained came into force for them in May 2020, then this is why no confirmation of a payee was completed here, as this was a historic bill payment set up on 27 May 2019.

From the screenshots that Santander have sent us, when making a payment to a historic mandate, it would still show the sort code and account number and ask the customer to check the details before confirming the payment. So I can't hold Santander responsible for the incorrect payment when Mr L selected the incorrect recipient – of which he had completed the details of this mandate originally in May 2019.

I'm sorry to hear that the third party recipient is no longer returning Mr L's phone calls or emails. Our investigator and Santander have set out the next steps that Mr L may wish to consider taking in order to try and reclaim the payment, so I would urge him to speak to any

of the third parties they've suggested.

I've considered the service which Santander provided Mr L here. They told him a letter would be sent to him to communicate the outcome of their investigation. But they didn't send a letter to him and they admit this appears to be a miscommunication that a letter would be sent. Although Santander say they had sent Mr L a text message to communicate the outcome, we haven't been provided evidence that this has been sent. And Mr L has detailed that they hadn't responded to his chase up requests, which would have been distressing at a time where he was already distressed at making an incorrect payment and this would inconvenience him for having to chase them up.

So I'm satisfied that it would only be fair for Santander to pay Mr L compensation for the impact the poor customer service would have had on him. I'm satisfied that £100 would be reasonable and in line with our established guidelines for what happened here. So it follows that Santander should pay Mr L £100 for distress and inconvenience.

### **Putting things right**

Our investigator has suggested that Santander pays Mr L £100 which I think is fair in the circumstances. I'm persuaded this reflects the impact on Mr L for Santander providing him poor customer service in relation to their investigation of the incorrect payment.

### **My final decision**

I uphold the complaint in part. Santander UK Plc should pay Mr L £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 December 2022.

Gregory Sloanes  
**Ombudsman**