

The complaint

Miss C complains that Santander UK Plc closed her bank account in error.

What happened

Miss C wanted to close two dormant accounts she held with Santander. However, it also closed the current account she had recently opened and begun the process to also close her new savings account.

Miss C complained to Santander. It reinstated her bank account and sent a new debit card. Santander paid Miss C £250 in compensation by way of an apology for the inconvenience caused.

Miss C later raised a further complaint when she was informed that several of her insurance policies had been suspended because her insurance provider couldn't collect on the direct debits. She also referred the matter to our service at this time.

In response to the further complaint, Santander apologised for giving incorrect information about reinstating Miss C's direct debits, and it paid her an additional £75 in compensation.

Our investigator didn't think the complaint should be upheld. He said he thought Santander had dealt with the complaint fairly and the compensation it had paid was fair and reasonable. Miss C doesn't accept our investigator's opinion and asked for an ombudsman's decision. Therefore, the complaint has been passed to me to decide.

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 agree with the outcome reached by our investigator and for similar reasons.

I think it may be helpful for me to explain that our role isn't to reprimand or punish a business for its mistakes. Rather, when things go wrong, we expect the business to put them right, and usually ask it to put the consumer back in the position they would have been in had the error not occurred. It must therefore ensure the consumer hasn't lost out financially. And address any practical or emotional impact the error has had on them.

Santander accepts it made errors. So, I've thought about what happened and how it tried to rectify things. I appreciate Miss C doesn't agree with the compensation it paid, but I find it's fair and I'll explain why.

When Miss C made Santander aware of its error, it reinstated her account the following day, and her debit card was replaced shortly after. Miss C has shown that her insurance policies were later suspended due to Santander's error. I haven't seen that she incurred any additional charges or penalties because of this. Had she done, I would have expected Santander to refund any additional expense she faced. But ultimately, I'm satisfied Miss C

didn't lose out financially because of what happened.

I appreciate this was a difficult time for Miss C, and I can understand that while it reinstated her accounts as soon as it was made aware of the error, Miss C was still inconvenienced as she had to wait for a new debit card in order to access her funds. Miss C told us she was forced to borrow money from family during that time which I accept would have been upsetting.

I can also understand why Miss C was concerned when she found out the direct debits to her insurance provider had not been reinstated and that her policies were suspended. I'm aware it involved some input from Miss C to have the direct debits reinstated with her insurer, but I find it was relatively straight forward to do.

Nevertheless, it is clear to me from the telephone calls Miss C had with Santander, that she was upset by what happened and worried about the effect it might have on her and her family. And I think her concerns were warranted at the time. But I find that when the errors were brought to light, they were put right in good time and Miss C didn't experience any significant detriment as a result. Santander paid a total of £325 in compensation, which I find is fair to recognise how its mistakes impacted Miss C. Therefore, I won't tell it to do anything more.

My final decision

For the reasons given above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 April 2024.

Oluwatobi Balogun
Ombudsman