

## The complaint

Ms H complains about the amount of compensation that Santander UK plc has offered her following issues with her credit card accounts.

## What happened

Ms H had two credit card accounts with Santander and she says that she'd paid off their balances by 2021 and then hadn't used the cards. She received a notice of debt collection about one of those accounts in October 2023 which said that she owed £7,042.92. She contacted Santander but wasn't happy with the way that she was treated and she received a notice of debt collection about the other account in November 2023 which said that she owed £5,260.84.

She complained to Santander. It investigated her complaint in January 2024 and identified fraudulent activity on the accounts but Ms H complained to in March 2024 about adverse information that Santander had recorded on her credit file. It paid her £100 compensation but she complained to it in April 2024 that the adverse information hadn't been removed from her credit file. Santander confirmed that action had been taken to settle both credit card accounts as of August 2022 (which was when the fraudulent activity commenced) and to remove all arrears and default data from her credit file. It said that it recognised that there had been an extended timescale in achieving that and paid a further £150 compensation to Ms H.

Ms H wasn't satisfied with its response so complained to this service in May 2024. She described the additional mortgage costs that she'd incurred because of the adverse information on her credit file and said that she'd had to subscribe to a service provided by a credit reference agency. Santander then said that after reviewing the case it agreed that the level of service that it provided wasn't in keeping with what it would expect and it offered an additional £250 compensation for the distress and inconvenience that Ms H had been caused. Ms H didn't accept that offer so her complaint was looked at by one of this service's investigators who, having considered everything, thought that it should be upheld. She said that, because of Santander's delay in putting things right, she thought that it would be fair for it to pay Ms H £750 in total for the distress and inconvenience that she'd suffered.

Santander has accepted the investigator's recommendation and has agreed to pay a total of £750 compensation to Ms H but Ms H has provided detailed responses in which she explains why she doesn't agree with the investigator's recommendation so I've been asked to issue a decision on this complaint. Ms H says, in summary and amongst other things, that:

- she had to pay £2,543.27 for her mortgage which is three times the previous amount as a direct result of delays in securing a mortgage caused by adverse information remaining on her credit file and Santander needs to compensate her for that;
- the proposed compensation of £750 is paltry and completely unacceptable as she endeavoured to have the adverse information removed and, had Santander done so by January or March when it realised that it had made a mistake, she wouldn't have incurred the additional mortgage cost; and

- the assessment doesn't take into account the suffering and the costs of this unfortunate saga to her financial situation.

### **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.

Ms H has set out a detailed chronology of events in her complaint form and the investigator has described the background to Ms H's complaint but there doesn't seem to be any dispute that Ms H's credit cards were used fraudulently and that adverse information was recorded on Ms H's credit file.

Ms H says that she was victimised when she phoned Santander after she'd received the first notice of debt collection and that it took no action and that it also took no action when she phoned it after she'd received the other notice of debt collection. Santander's customer contact notes show that it tried to call Ms H and say that it was never its intention to cause Ms H unnecessary distress and it was truly sorry for the inconvenience that she'd been caused. Ms H complained to Santander and it investigated her complaint in January 2024. It identified that there had been fraudulent activity on the accounts and its customer contact records show that service issues were identified as there had been a delay in the claim being raised and it should have been raised in October 2023.

Ms H complained to Santander in March 2024 about adverse information that Santander had recorded on her credit file. Its customer contact records show that the outstanding balances on the cards hadn't been amended so it contacted the relevant departments to make the necessary amendments and it sent Ms H a cheque for £100.

Ms H complained to it in April 2024 that the adverse information hadn't been removed from her credit file. Santander confirmed that action had been taken to settle both credit card accounts as of August 2022 (which was when the fraudulent activity commenced) and to remove all arrears and default data from her credit file. It said that it recognised that there had been an extended timescale in achieving that and it sent a cheque for £150 to Ms H.

Ms H says that her mortgage came to an end in May 2024 and another bank had agreed in principle to provide a remortgage but it declined in March 2024 due to the adverse information on her credit file so she had to move to the variable interest rate on her mortgage and paid £2,543.27. She then remortgaged with another bank in July 2024 but incurred an additional £670.40 of interest. The March 2024 letter from the bank says: *"...we can't offer you an Agreement in Principle based on the information you have given us and the details we received from credit reference agencies"*; but it doesn't say that it was declined due to the adverse information on Ms H's credit file. It's clear that Ms H believes that her remortgage application was declined because of the adverse information that Santander had recorded on her credit file. A mortgage application can be declined for many reasons and I'm not persuaded that there's enough evidence to show that Ms H's remortgage application was declined by the bank solely because of the adverse information that Santander had recorded on her credit file or that it would be fair and reasonable in these circumstances for me to require Santander to reimburse Ms H for any of the additional mortgage costs to which she's referred.

Ms H says that her subscription to a credit reference service wasn't just to obtain a credit report but was due to the dispute following Santander placing wrong information on her credit file. I'm not persuaded that Ms H has provided enough evidence to show that it was necessary for her to subscribe for that service because of the adverse information that Santander had recorded on her credit file or that it would be fair and reasonable in these

circumstances for me to require Santander to reimburse Ms H for any of the subscription costs that she's paid.

Santander accepts that there was a delay in dealing with the fraudulent payments and removing the adverse information from Ms H's credit file but both credit card accounts have been settled and all arrears and default data has been removed from Ms H's credit file. It has apologised for the delay and sent Ms H cheques for £100 and £150 and it offered to pay her an additional £250. In response to the investigator's recommendation, it has agreed to increase the total compensation to £750.

I consider that Santander's delay in dealing with the fraudulent payments and removing the adverse information from Ms H's credit file will have caused her significant distress and inconvenience. Ms H said in her complaint form that she was asking for compensation of £7,000 due to the physical and emotional toll on her health, emotional health and wellbeing, expenses and loss of time dealing with this. I've carefully considered all of the evidence that Ms H has provided, including her responses to the investigator's recommendation, but I agree with the investigator that it would be fair and reasonable in these circumstances for Santander to pay her another £500 so that the total amount of compensation that it's paid her is £750. I'm not persuaded that a higher award of compensation is justified or that it would be fair or reasonable for me to require Santander to take any other action in response to Ms H's complaint.

### **Putting things right**

I find that it would be fair and reasonable in these circumstances for Santander to pay Ms H £500, so that the total amount of compensation that it's paid her is £750.

### **My final decision**

My decision is that I uphold Ms H's complaint in part and I order Santander UK plc to pay her £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 19 December 2024.

Jarrold Hastings  
**Ombudsman**