

The complaint

Mr C complains Santander UK Plc failed to set up a standing order correctly, resulting in his rent payment being missed.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here again in detail. The facts aren't in dispute, so I'll focus on giving my reasons for my decision.

In summary, Mr C set up a standing order with Santander to pay for his monthly rent payment. Mr C says he asked for the payment to be made on the 26 of each month. But the payment wasn't set up correctly and was instead set up to be paid every 26 months.

Mr C complained to Santander. Santander upheld his complaint. It accepted it made an error and offered Mr C £75 in compensation for this inconvenience caused and any late fees he may incur. Mr C remained unhappy so referred the complaint to our service.

On referral to our service Santander looked at the complaint again and increased the offer of compensation to £150. Mr C didn't accept so our investigator considered the complaint and the offer made by Santander. Our investigator thought the offer was fair in the circumstances for the distress caused and also to cover any late payment fees he may incur.

Mr C didn't agree. He doesn't think the amount offered fairly reflects the distress and inconvenience caused in his circumstances. So the case has been passed to me to review and make a final decision.

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 considered the complaint, I agree with the investigator's conclusions, and I will explain why.

Mr C claims Santander made an error in setting up a standing order, which Santander has acknowledged. As Santander has accepted responsibility, I do not need to make a finding on this point. Instead, I have considered whether the compensation offered by Santander is reasonable given the circumstances.

I recognise the impact on Mr C, who would understandably have been frustrated and concerned to discover the standing order was not correctly set up. Missing the first payment to his landlord would have added to his distress. Mr C has also indicated that he is likely to incur late fees due to the error.

Santander has acknowledged the possibility of late fees and asked Mr C to provide evidence, but none has been submitted. Santander has included potential late fees in its compensation offer, which I find reasonable given the lack of supporting evidence for specific charges.

I consider the £150 offer fair. The distress caused to Mr C went beyond minor frustration or annoyance, particularly given the circumstances and the nature of the payment involved. However, I have not seen evidence that the inconvenience was ongoing or caused significant additional impact. Santander corrected the error before the next payment was due, and while Mr. C has expressed concerns about the effect on his relationship with his landlord, there is no evidence of actual harm.

Initially, Santander offered £75 but later increased this to £150 after the complaint was referred to us. While Mr C feels this approach was dishonest, complaint handling isn't a regulated activity and so it's outside the jurisdiction of this service. That means I can't comment on what Mr C has said about the way Santander handled his complaint.

In conclusion, I uphold the complaint and believe the £150 compensation adequately reflects the inconvenience and distress Mr C experienced. It also accounts for any potential late fees, as no evidence of these has been provided. Therefore, I cannot fairly order any additional amount.

My final decision

For the reasons mentioned above, I uphold this complaint and direct Santander UK Plc to pay Mr C compensation of £150 for the distress and inconvenience caused and for any potential late fee he may incur.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 January 2025.

Jag Dhuphar
Ombudsman