

The complaint

Mr F complains that Santander UK Plc transferred money out of his ISA that he didn't agree to. He'd like to be adequately compensated for the distress this caused.

What happened

Mr F holds an ISA with Santander. His IFA submitted a request to transfer a partial balance of £30,000 to another provider. However, it appears two forms were submitted by the IFA, which led to two transfers being made. Mr F raised a complaint saying these funds had been transferred without his authorisation. Santander responded to say that they didn't think this was a mistake on their part. They explained they'd received two transfer forms, so carried out the request as per the instructions.

Unhappy with this response Mr F referred his complaint to our service. He said he was without access to these funds as the new provider had no paperwork from Santander about the transfer. He was in the process of getting a mortgage at the time and was worried about how a lender would see these transactions. He also complained about Santander had handled his request for call recordings between them while trying to sort this out.

Before one of our investigators could begin looking into the complaint the duplicate transfer was returned to Mr F's ISA. Our investigator felt the complaint should be upheld. She accepted that Santander had received two transfer forms. But she felt this came about as Santander had told the IFA they hadn't received the original request, so Santander could have noted this to prevent a double payment. Taking into account these failings and Mr F's difficulty in requesting his personal data, she suggested Santander pay Mr F £400 compensation.

Santander accepted this, but Mr F disagreed. He said he had to spend over 35 hours on the phone trying to resolve the situation. He said the situation had negatively impacted his health and relationships. He believed he should receive compensation between £5,750 and £8,500. The investigator didn't agree such a level of compensation was warranted, so 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.

Firstly, I'm satisfied that Santander did receive two transfer requests from the IFA. But I think it's crucial to point out here that the IFA only did so because Santander asked for a second one when they couldn't find a record of the first. Mr F was only intending to transfer £30,000. Had Santander kept a record of this, or cross referenced it with the correspondence they'd received, then they could have noticed this was a duplicate request. Or at the very least contacted Mr F or his IFA to clarify the instructions. Santander have now accepted they made an error in executing both instructions.

Our service's approach to resolving complaints about financial loss is that firstly when something has gone wrong, the bank should put the consumer back in the position they would have been in had the error not occurred. In this case Santander have returned the funds to Mr F's ISA and reworked the account as if they'd never left. This is what I'd expect to see. I've not seen any evidence to suggest there were further losses to Mr F caused by this transfer. So, I'm satisfied Mr F is now back in the position he should have been in.

I've gone on to consider the distress and inconvenience caused by the bank to Mr F. I've carefully considered Mr F's submissions on this point and reviewed what Santander have said. I accept it would have been troubling to Mr F to find that double the amount of money had been transferred in error, and he would want this rectified as quickly as possible. I agree that a degree of compensation is appropriate.

When our service awards compensation it isn't intended as a punishment or fine to the business for any errors they may have made – this isn't the role of our service. Instead what we consider is the impact of that error, and then decide what would be fair compensation to reflect that impact.

In this case it took three weeks from when the error was noticed to when the balance in the Santander ISA was restored. I accept this will have been a stressful time for Mr F. But I also recognise the issue didn't go on over an extended period. I've considered Mr F's concern about how these account movements may be perceived by a mortgage lender. But I've seen nothing to suggest this has had any effect after the funds were returned to the ISA. I'm sorry to hear how Mr F feels these events have impacted his health and relationships. The frustration and upset caused by the duplicate payment will have been compounded by the difficulty he then had in getting the data he'd requested. It took longer than I would expect to see for him to receive this.

Taking this all into account, I can't see that the impact was significant or sustained enough for me to award the amounts Mr F has requested. I'm satisfied that £400 is a fair and reasonable reflection of the impact of the problems with the duplicate payment, and the customer service he received trying to resolve the problem.

My final decision

My final decision is Santander UK Plc must pay Mr F £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 August 2023.

Thom Bennett
Ombudsman