

## **The complaint**

Miss B complains that, in respect of her personal loan with Santander UK Plc, she was sent letters requesting payment of arrears when she had agreed a paydown plan with it.

## **What happened**

Miss B contacted Santander on 13 February 2023 to discuss her personal circumstances and her accounts with Santander. It was agreed to set up a paydown plan whereby she would make nominal payments of £1 a month. She was told no interest or other charges would be added to the accounts whilst the paydown plan was active. However on 3 March 2023 she received a letter, followed by an e-mail the next day advising her of the arrears on her loan account and of the consequences of non-payment of the arrears

Miss B contacted Santander and she was told that the letter had been sent in error. It confirmed that she had not had any charges added to the account. Miss B was then contacted by a member of the complaints team at Santander and she was offered, and accepted, £50 for the error. She did point out Santander had made errors before and was concerned that it would repeat them. I understand that the £50 was put into Miss B's account on the same day.

On referral to the Financial Ombudsman Service, our Investigator said that, in respect of this particular complaint, that Santander had acted reasonably in paying £50 for the upset caused by its error of sending one letter that should not have been sent.

Miss B remained dissatisfied and the matter has been passed to me for further consideration.

## **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.

I believe this has been discussed with Miss B by our Investigator but I should just clarify that if a paydown plan is in operation, arrears will still show on the account. The balance has not been written off, but she won't have any interest or other charges added to the account while she continues to make the agreed minimum repayments. Similarly Santander has to inform all its customers of the contractual minimum repayment and of any changes in interest rates, even though they may not apply in Miss B's case.

As regards the error, Santander is aware that Miss B suffers from anxiety and has serious health issues. In respect of this particular complaint I am satisfied that Santander made a reasonable offer of compensation for its error in sending the letter concerned which I believe was an automatic letter. I believe that Santander acted swiftly to resolve the matter by making a payment into Miss B's account on the same day that it discussed her complaint with her. And just to clarify, our Investigator has received from Santander the evidence of its payment. Hopefully she won't receive any further such letters.

**My final decision**

As I'm satisfied that Santander UK Plc has offered and paid suitable redress, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 3 November 2023.

Ray Lawley  
**Ombudsman**