

## The complaint

Mr G complains that Santander UK Plc misled him about a promotional 0% purchase offer on the credit card he opened with them.

## What happened

Mr G wanted a 0% promotional interest rate for purchases, so he opened a Santander credit card. He says he mistook the promotional offer for the 0% purchase rate which was due to end on 16 March 2022, for the balance transfer promotional offer ending on 16 July 2024 when he made his application. Mr G says he spoke to Santander when he received correspondence from them and he says he told the agent that he was not going to be making any more purchases on the card, thinking that he would now arrange a direct debit to clear the balance by 16 July 2024 so he wouldn't have any interest to pay if he did that. He said the call handler implied he wouldn't be charged interest on the existing balance and at no point did the call handler clarify that he would pay interest on the existing balance.

Mr G said that Santander did not send him any statement notification emails or text messages to notify him of his account balance, so he had no idea he was being charged interest. He says he later found out he was being charged interest and he requested a transcript of the aforementioned call, but he received poor customer service in getting the call transcript as there were delays and he had to spend a long time on the phone to get this. Mr G made a complaint to Santander.

Santander partially upheld Mr G's complaint. They said the promotional interest rate expired in March 2022 and as the terms and conditions of his account showed, once the purchase promotion had expired, any outstanding balance would incur interest. Santander apologised for the delay with the call recording and credited £50 into his account as an apology. Mr G brought his complaint to our service.

Our investigator did not uphold Mr G's complaint. He said a Key Facts Document would have been supplied to Mr G when the account was opened, and this explains that an interest rate of 0% would be applied on purchases for three months from account opening. He said the interest would also show on Mr G's monthly statements and he would expect Mr G to have been aware of the main features of the account, especially as a significant number of purchases were expected to be made. Our investigator said that when Mr G called Santander, he was correctly told that the 0% offer on purchases came to an end on 16 March 2022. So while the agent might have provided greater clarity, she did not provide incorrect information and the interest was applied correctly.

Mr G asked for an ombudsman to review his complaint. He made a number of points. In summary, he said his dispute is around the assumption that the 0% interest would apply to his account until 16 July 2024 as he believed that following the end of the purchase promotional rate that the 0% rate would apply on the remaining balance until 16 July 2024. He said this is what he'd believed when he originally applied for the account. He said the call handler had given him misleading information to support his assumption. He said at no point did the call handler clarify that he would pay interest on the existing balance. Mr G also said Santander didn't send him statement notifications or balance updates to him and he didn't

receive a warning that his promotional rate was due to end like the one he received from a third party company when his promotional interest rate was due to end on the third party credit card.

### **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 aware that I've only summarised Mr G's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Mr G that it is not within this service's remit to tell a business how to run their communications regarding their credit card accounts such as what emails and texts they should send to a customer about their account. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Santander to make changes to their policies and procedures, if necessary.

I've listened to the phone call that Mr G had with Santander. Mr G asks the call handler if she can confirm whether all of his total balance was generating a particular rate of interest or whether it was a 0% interest rate. She said he was on a 0% interest rate for balance transfers until July 2024 and for the purchases *"that was only until the 16<sup>th</sup> of March 2022, so that's up now, and going forward your purchase interest would be 20.95%"* and Mr G says *"okay"*. So I do think the call handler was clear the 0% was only until 16 March 2022 and by her saying that's up now, this would indicate the promotion would have finished, especially given what she said about the promotional rate being only until 16 March 2022.

The call handler tells Mr G that there has been no purchase interest added so far which would have been correct at the time he phoned Santander. She refers to the statement on 9 March 2022 (which is a week before the promotion ended). She does say moving forward now anything he spends on the card would incur purchase interest. This is factually correct, and she had already said that the promotional interest was only up until 16 March 2022, so I don't think she needed to clarify something she had already said again here.

Mr G mentions his direct debit and mentions 9 May onwards through to 16 July 2024. The call handler interrupts and confirms the balance transfer rate (not the purchase rate) would be 0% during that timeframe. Mr G says *"so 26 months left to pay the full balance"* and she responds *"yeah"*. But I'm persuaded she is answering this in line with any balance transfers he would make as she had already told Mr G earlier in the call that the 0% interest on the purchases was *"up now"*. Mr G says *"can I make erm my monthly payment erm on the card erm £461 please after from the 9<sup>th</sup> May onwards"* and the call handler says *"yeah"* and tells him he may want to ring up and check his account to see if the April direct debit is affected.

So I'm not persuaded that the call handler misled Mr G. The call handler did not say at any time that the purchases he already made would be 0% until they were paid off or that they would be 0% until 16 July 2024. There would be no reason for her to think this was what Mr G believed, as she had already said that it was balance transfers which were on the 0% promotional interest rate until 2024, so there would be no correlation to the purchases he had already made with balance transfers as these are two different categories. The call handler had already been clear when the purchase offer ended, and the rate was up now.

I've also looked at the Key Facts document as this is what Mr G would have needed to agree to when applying for the Santander credit card. I'm satisfied that this document is clear that there is a promotional rate of 0% from three months of account opening. But if Mr G was in any doubt about this, then his pre contract information, which was part of this document states on page three that *"If you have not repaid the outstanding balance by the end of the promotional period, your standard purchase/balance transfer interest rate will apply to the remaining balance until it is repaid in full. The standard interest rates will be significantly higher than the introductory/promotional interest rates."*

So Mr G should have been reasonably aware that once the promotional offer ended, he would be charged the standard interest rate for the purchases made until they were paid in full. And I'm not persuaded the call handler contradicted this. While a third party let Mr G know his promotional rate was ending, this would be a commercial decision that is up to a business to make, and as such, our service is not able to tell a business what commercial decisions they should make. So I can't say Santander have done anything wrong here, by not sending Mr G a separate notification in addition to his statements which would have already set out the account position.

Section 4.3 of Mr G's credit agreement reiterates that where introductory and promotional interest rates apply, they will end on the expiry of the relevant promotional offer. So in this case it would be 16 March 2022. So again, I do think Santander were clear on a couple of occasions prior to Mr G being accepted for the Santander credit card that the promotional interest rate would only be applicable for three months and then it would end, and then he would be charged the standard interest rate.

In addition, it would be Mr G's responsibility to check his monthly statements. This would have shown the interest he was being charged and possibly when his promotional interest rate would end. Section 19 of the terms and the conditions of the account – which again, Mr G would've needed to agree to prior to being accepted for the account shows they would send him a statement each month. It also says under 19.3 that he *"must tell us as soon as possible if you think the statement is wrong or you do not receive a statement"*.

So if Mr G had misinterpreted what the call handler told him with his previous call, he would have been able to see that he was being charged interest from the first statement that he was being charged interest. So I can't hold Santander responsible if Mr G did not choose to view his statements when they sent him one each month. And if he didn't receive this then he was required to tell them as soon as possible. I'm satisfied the £50 they credited Mr G's account for poor customer service regarding the call transcripts was fair and in line with our awards for what happened here. So it follows I don't require Santander to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 September 2023.

Gregory Sloanes  
**Ombudsman**