

The complaint

This complaint is about a mortgage Mr and Mrs S hold with Santander UK Plc. They're unhappy that Santander gave them conflicting and contradictory information about how much they owe on the mortgage.

What happened

The broad circumstances of this complaint are known to Mr and Mrs S and Santander, and the events that gave rise to the complaint aren't in dispute. I'm also aware that the investigator issued a detailed response to the complaint, a copy of which has been sent to all parties, and so I don't need to repeat the details here.

Our decisions are published, and it's important that I don't include any information that might result in Mr and Mrs S being identified. Instead I'll give a brief summary of the dispute and then focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

Santander has accepted that in a phone conversation on 13 July 2023 in preparation for them requesting a term extension, it gave Mr and Mrs S contradictory information about whether the amount they owed on the mortgage was around £80,000 or £150,000 (both amounts have been rounded). The higher figure is the true amount outstanding and this was made clear the same day. But Mr and Mrs S were very upset by what happened and complained, asking for the debt to be written off altogether.

Santander didn't agree that it should waive the outstanding balance; it offered Mr and Mrs S £200 compensation for their time trouble and upset. When they referred the complaint to us, our investigator initially thought that was a fair response, but Mrs S said she thought £500 was more appropriate. After speaking to her and hearing directly from Mrs S about how the episode had affected them, the investigator asked Santander if it was willing to pay the higher amount.

After some initial reluctance, Santander agreed, and at that point, it seemed a settlement had been reached. However, Mrs S then told the investigator they'd changed their minds and wanted to take thing further. So the complaint has come to me to review and determine.

What I've decided – and why

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us. It's for me to decide what the material issues are

that will affect the eventual outcome. It's also my judgement on what evidence I need to see and consider, in order to reach a fair decision.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, these are my conclusions, and the reasons for them.

This is not a complaint where I have to decide fault; I simply have to decide what a fair outcome should be. The starting point here is that where a business gives a customer wrong or contradictory information, a fair remedy doesn't involve putting them in the position they'd be in if the wrong or contradictory information had been correct. It means putting them in the position they'd be in if the wrong or contradictory information hadn't been given.

In Mr and Mrs S' case, the higher figure is what they owe, so they are already in the position they'd be in if Santander hadn't got things wrong in the 13 July 2023 conversation. That being the case, there's no basis for me to say the mortgage balance should be reduced, far less written off altogether. But Mr and Mrs S are due fair compensation for their time, trouble and upset.

Assessing compensation isn't an exact science; everyone's reaction to events is unique to them. It's clear from her testimony that Mrs S in particular has found this episode hugely upsetting, and I appreciate that. I also have to consider that Santander put things right the same day, and Mr and Mrs S didn't take any steps to change their circumstances in the meantime.

I know they feel strongly that Santander needs to be punished to ensure it doesn't do this type of thing to them or anyone else again in future. That's quite understandable in itself but it's outside my remit. If Mr and Mrs S think it's a matter to take up with the regulator, it's open to them to do so. My role is to resolve the individual dispute in front of me, and in my view, the £500 compensation currently proposed is fair in all the circumstances.

My final decision

My final decision is that I uphold this complaint in part. In full and final settlement, I direct Santander UK Plc to pay Mr and Mrs S £500. I make no other order or award. My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 5 February 2024.

Jeff Parrington
Ombudsman