

The complaint

Mr O complains that Santander UK Plc (Santander) didn't complete his current account switch correctly.

What happened

In late January 2023, Mr O moved his current account to Santander using the Current Account Switch Service (CASS). As part of the switch, Santander was meant to move all his direct debits over from his previous current account to his new current account. Mr O was under the impression the switch had been complete, until early April when he received notification from three different companies that his direct debt had been cancelled and he'd need to contact them to re-set them up.

Mr O was unhappy, so he complained to Santander. Santander reviewed its systems and explained that all direct debits had been transferred over and all companies informed. It didn't think it had done anything wrong.

Mr O remained unhappy, so he brought the complaint to this service. He explained that he used the CASS because he didn't want to have to go through the trouble of changing the direct debits himself. He thought Santander should pay him £100 compensation for the stress it caused him.

One of our investigators looked into the matter and didn't think Santander had done anything wrong. They were satisfied from the evidence provided that Santander had set up new direct debit mandates for all of Mr O's existing payments. They explained how direct debits work and that the payments have to be 'pulled' by the company who is claiming the money. Because they'd seen screenshots from Santander that showed the direct debits were in place, they thought they'd met their obligations under the CASS.

Mr O disagreed. He provided a screenshot of the Current Account Switch Guarantee and said Santander hadn't meet its obligations. He asked for an ombudsman to review his case, so it's been passed to me.

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 done so I've reached the same outcome as the investigator for broadly the same reasons. I'll explain my findings below.

The CASS allows customers to move or 'switch' banks easily. In simple terms, the customer will approach their new preferred bank and apply for an account, as well as providing details of the account they want to switch from and the date they want to move their account across. The new account provider will then 'switch' all payments and the balance of the old account over to them. The old provider will then take care of closing the old account.

The Switch Service is supported by the Current Account Switch Guarantee. This means that if there's any issues which cause a delay or there's an error in the switch, the old and new account providers will refund any charges or interest incurred because of the error(s). This is to ensure the Switch happens smoothly.

As part of the Switch Santander needed to transfer over multiple direct debits from Mr O's old account to his new one. This required Santander to provide new account information to the providers/ companies who the direct debit was for. I've seen evidence to show this happened on 4 February.

Because a direct debit is a pull payment there is an obligation on the provider or company to claim the payment from the bank. In most instances this worked smoothly for Mr O but for three companies it didn't. I think the reason for this is likely to be because the companies didn't attempt to claim the money from the account, not because Santander made an error. So, whilst I accept this was frustrating for Mr O, I don't think it was Santander's fault that the direct debit wasn't successful. Ultimately, I'm satisfied Santander did all it could and was required to do for the Switch, the rest was outside of its control.

I accept this meant the Switch didn't go smoothly for Mr O and I can understand why he might've thought the Guarantee would mean Santander was liable for any issues. But for the reasons I've explained above, I don't think there were any errors made on Santander's part and so I won't be asking it to do anything further.

My final decision

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 15 December 2023.

Rachel Killian
Ombudsman