

The complaint

X complains about Santander UK Plc making a mistake with his international payment and the poor service they provided when recovering his funds.

What happened

I issued my provisional decision on 4 November 2023, and this is what I said:

I've considered the relevant information about this complaint.

Based on what I've seen so far, there will be a different outcome to what our investigator proposed.

Before I issue my final decision, I wanted to give everyone a chance to reply.

I'll look at any more comments and evidence that I get by 20 November 2023. But unless the information changes my mind, my final decision is likely to be along the following lines.

The complaint

X complains about Santander UK Plc making a mistake with his international payment and the poor service they provided when recovering his funds.

What happened

X has held an account with Santander for long time.

On 10 November 2021, X visited his local Santander branch to transfer £4000 to his bank account with Bank A in country B.

X says he had previously made a successful transfer to Bank A in 2020, so he provided the same details. However, on this occasion a problem occurred with the transfer and his £4000 went missing.

X asked Bank A to investigate and also made several visits to his Santander branch. Bank A informed X that his funds hadn't been received and said Santander needed to resolve the issue. X was distressed about his missing funds and feels Santander haven't done anything to rectify the issue.

X feels Santander caused the issue by submitting an incorrect IBAN number. However, Santander are confident that they didn't make a mistake. They explained that although the IBAN number was incorrect, and completely different to the intended number, it was a valid number. Also, "there is insufficient evidence to suggest that the branch representative who processed the payment randomly created a valid IBAN number for a (country B) bank account".

Santander explained that they had traced X's funds and, as it was in the international system, they were still trying to get it back from the receiving bank. They apologised for the delay and as a gesture of goodwill paid X £100.

X complained to our service. He believed Santander made a mistake and should immediately put the funds back into his account. Also, he is dissatisfied with the service Santander provided including asking him to liaise with Bank A. X also requests the refund of fees, payment of interest, travel and compensation for the inconvenience and distress. In April 2023, X said his account had been credited with £3967.45.

Our investigator didn't think Santander had treated X fairly and said it was more likely than not that Santander had made the mistake. He recommended that Santander pay an additional £50 for distress and inconvenience, £57.55 for financial loss together with lost interest on the £4000 payment from when it was made until the date it was returned to X's account.

However, Santander disagree as they don't believe they've made an error. So, this complaint has been referred to me to look at.

What I've provisionally 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 have a different view to the investigator. I'm still upholding this complaint, but I require Santander to increase the amount of compensation and I'll explain why.

Firstly, I am pleased to see that X's funds have been retrieved albeit the full £4000 has not yet been credited to his account.

Where the evidence is incomplete, inconclusive or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.

Santander have provided a copy of their procedure for an IBAN transaction. This states the customer is to provide payment information, the representative has to confirm all the details back to the customer and then, after inputting the payment details, the customer confirms that they are correct via the CHIP and PIN device.

Although Santander say the representative could only have got the IBAN number from X and have provided evidence to show that the customer verified the payment details input as being correct via the CHIP and PIN device, on balance of probabilities, I also think it is more likely than not that the mistake here was due to the Santander representative.

I say this because the IBAN number is completely different to X's IBAN number and happens to be a valid number. There is no information to indicate X has another account number in country B and if he made a mistake there is likely to have been some similar digits used and I think it would more likely than not have been an invalid number.

I recognise that Santander's representative didn't serve another customer transferring funds to country B that day, however I think it is more likely than not that the Santander representative, whose role involves processing international payments, had access to a valid number and mistakenly entered this.

Also, it isn't possible to observe the interaction and how the procedure was or wasn't followed and X describes how, whilst serving him, the representative was diverted and perhaps distracted with a colleague.

Furthermore, X had previously used this same method to successfully credit his account with Bank A and when he says he had his Bank A account information including IBAN number with him, I think this is likely to have been the case.

Santander offer another possibility, that X has another country B bank account, however I can't see any evidence of this and from reviewing the file I think this is unlikely.

I also considered the inconvenience and distress this matter caused X and the service he experienced when trying to understand what had happened and how and when he would get his funds back.

X provided comprehensive and contemporaneous notes which showed that he spent considerable time worrying about his missing funds, making enquiries including with Bank A and chasing Santander. These notes also indicate that he visited a Santander branch a number of times and Santander should've provided better communication and shown more empathy to a distressed and vulnerable customer.

I say this because Santander were aware that X had been worried about his funds and had waited months for a refund, yet X says that when they credited his account with £3967.45 they didn't provide an explanation.

Also, X is elderly and has vulnerability characteristics. He consistently describes how he was worried about his missing funds, and this includes a concern about being scammed. He shows evidence of a lengthy wait to speak to the manager about this and recalls being offended and upset when he said it told it is "your fault" as "you accepted the receipt you scammed yourself". Also, he describes how this incident caused considerable stress and affected his blood pressure. In addition, he says the impact of this still affects him.

Although I can understand why Santander have struggled to see they made a mistake here, I think they should have credited him with the missing £4000 at a much earlier stage. I say this for the following reasons:

- As stated earlier I think it is improbable that X would have entered an incorrect but valid number*
- There isn't any evidence that X has another country B bank account*
- I found X to be a distressed and vulnerable customer*

So, in summary, I'm persuaded on balance of probabilities that it's more likely than not that Santander made a mistake here, causing X inconvenience, distress for a number of months and a loss of confidence. Also, his distress has been exacerbated by a lack of communication and empathy.

So, considering all the above, including that there was an opportunity for X to spot the mistake before he left the branch, I require Santander to:

- Refund £33.55*
- Refund the £25 transfer fee*
- Pay interest on the £4000 from the date it left his account to the date it was returned*
- Pay £350 compensation for the distress and inconvenience caused less any amounts already paid*

My provisional decision

For the reasons I've given above, it's my provisional decision to uphold this complaint. I require Santander UK Plc to pay X with the following:

- Refund £33.55*
- Refund the £25 transfer fee*
- Pay interest on the £4000 from the date it left his account to the date it was returned*

- *Pay £350 compensation for the distress and inconvenience caused less any amounts already paid*

I'll look at anything else anyone wants to give me – so long as I get it before 20 November 2023.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

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.

In my provisional decision, I gave both X and Santander the opportunity to provide any comments or new information they might wish me to consider, before I moved to a final decision.

Both parties responded.

Santander said, *"While we do not agree that an error has been made by our colleague, to draw the matter to a close for the customer we will accept the provisional ombudsman decision"*.

X didn't agree with the provisional decision. X still considers the compensation amount to be inadequate and raised a number of points including the following:

- X questions whether he has been the victim of a fraud. This is because the IBAN number was legitimate, and he understands the cashier no longer works for Santander.
- X pointed out the cashier in question had made other significant errors and had her efforts corrected and taken over by a colleague.
- X pointed out his age and physical impairments and questioned how Santander treat elderly and vulnerable customers
- X said he has been sending "transfers to Bank A in Country B since 1988 so I think you may assume I did NOT make an error and am on top of this process". Also, he *"just conducted a routine transfer and obviously it never entered my mind that the cashier wasn't doing her job correctly"*.
- X said his funds were only returned after he rang Santander's complaints department

I asked Santander questions about some of X's above points and considered X's points alongside file submissions and the following responses that I received:

- *"We have no concerns with relation to internal fraud"*.
- *"The credit of funds was as a result of us recalling the payment from the beneficiary bank. This was part of our process, when the customer highlighted that the payment hadn't reached the destination"*.
- *"In the past 12 months, the customer has only made one other payment internationally. I would like to clarify that we do not store the payment information for these payment types and each time the customer makes a new payment the digits are entered each time"*.
- *"As Confirmation of Payee is not available for international payments, we are reliant on information provided by swift and we utilised this service to recover the customers funds. We have not been provided the information and as the data is not owned by*

us, we are unable to confirm the owner of the account”.

I should explain that as we aren't the financial services regulator or a court, our service doesn't have any power to interrogate records and systems or cross examine parties. Instead, we have to make impartial and objective decisions based on the information provided by both parties.

So, based on the available information, I can't see any evidence that a fraud occurred.

Regarding X's age and physical impairments, I'm satisfied X had characteristics of vulnerability according to the Financial Conduct Authority's (FCA's) guidance on this topic. And, as X had confirmed that the transaction details were correct, this was a factor in upholding the complaint and increasing the award.

Having considered everything again, including X's vulnerability and the latest submissions from both parties, although I fully understand the upset, worry, distress and inconvenience X experienced here, I'm not persuaded to further increase the award.

Assessing compensation isn't an exact science and our approach when making awards for non-financial loss is detailed on our website and tends to be modest. For the reasons mentioned in my provisional decision, I remain persuaded that it's more likely than not that Santander made a mistake here. Also, X's vulnerability wasn't recognised, and Santander were then lacking in communication and empathy. However, after further consideration, I think the provisional decision compensation amount is fair and reasonable.

So, having considered everything again, I'm still upholding this complaint and I require Santander UK Plc to:

- Provide X with a refund of £33.55
- Provide X with a refund of the £25 transfer fee
- Pay X lost interest on the £4000 from the date it left his account to the date it was returned
- Pay X £350 compensation for the distress and inconvenience caused less any amounts already paid

My final decision

My final decision is that I'm upholding this complaint and I require Santander UK Plc to:

- Provide X with a refund of £33.55
- Provide X with a refund of the £25 transfer fee
- Pay X lost interest on the £4000 from the date it left his account to the date it was returned
- Pay X £350 compensation for the distress and inconvenience caused less any amounts already paid

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 11 January 2024.

Paul Douglas
Ombudsman