

## **The complaint**

Mr H has complained about administrative problems he encountered when he was trying to switch his buy-to-let (BTL) mortgage held with Santander UK Plc onto a new interest rate product, and to make a lump sum payment.

Mr H also says that Santander failed to record his complaint when he first made it and is unhappy with the length of time the bank took to investigate it.

## **What happened**

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr H being identified.

Finally, the underlying issues that gave rise to the complaint – the product switch and the issues around a lump sum payment and reimbursement of an overpayment – have now been resolved. The only issue I need to decide, therefore, is whether the compensation Santander has offered (£250) is sufficient, or whether Santander should pay the £1,500 Mr H believes is more appropriate for the distress and inconvenience he was caused.

So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

Briefly, Mr H has a BTL mortgage with Santander. It was on a fixed rate taken out in 2021, which was due to expire on 2 July 2023. On 22 May 2023 Mr H wanted to make a lump sum payment of £170,000 towards his BTL mortgage, and arrange a new two-year fixed rate. Because of technical issues, Santander wasn't able to do this. Mr H complained that same day. When Mr H spoke to Santander again the following day, he was given contradictory information and asked different questions. Mr H wasn't happy about this.

Unfortunately, although Mr H was told an application for a new mortgage product had been submitted, this wasn't, in fact, done, which meant Mr H had to call again on 3 June 2023 when a mortgage offer was issued. Mr H accepted this, Santander receiving the acceptance form on 23 June 2023. This was at the same interest rate as was available in May 2022. The product moved onto the new rate when the previous rate expired on 2 July 2023.

Mr H raised another complaint on 3 June 2023 because he was still unhappy about the service he'd received. Mr H made 35 bullet points in relation to his complaint, detailing all the issues he was unhappy about. Santander said its investigation was taking longer than expected, and gave Mr H referral rights to our service. Mr H raised his complaint with us.

Santander issued its final response letter on 11 August 2023. The bank explained that the first two agents Mr H had spoken to in May 2023 were not advisers and so the discussions

with Mr H were on a non-advised basis. It wasn't until 3 June 2023 that Mr H spoke to an adviser. Santander said that is why the questions the adviser asked were different.

Santander also clarified that, because of the technical issue on 22 May 2023, the agent Mr H had spoken to wasn't able to track what had happened. Santander also noted that an overpayment Mr H had requested be returned to him was paid to a different account from the one he'd expected it to go to.

In relation to recording Mr H's complaint on 22 May 2023, Santander confirmed that this had been done.

Overall, Santander acknowledged it could have done better, and offered Mr H £250 compensation. Mr H didn't think this was sufficient. He thought £1,500 was more appropriate. Mr H said there had been *"serious disruption to daily life over a sustained period with the impact felt over many months. I therefore seek £1,500 compensation plus damages for delay processing of some overpayments made."*

Our investigator looked at what had happened. She noted that the product switch had gone through at the same rate that Mr H had been offered and there was no financial detriment caused to Mr H. The investigator noted the administrative issues that had resulted in Mr H having to make several calls. However, the investigator was satisfied that the £250 offered was fair and reasonable.

Mr H disagreed and asked for an ombudsman to review the complaint. He's made some further comment, which I summarise below:

- the investigator failed to acknowledge and investigate whether the bank formally recorded the complaint when it was originally made;
- the investigator doesn't appear to have listened to any/all of the phone calls that would provide a better understanding of the inconvenience and distress he has been caused;
- it is improbable that Santander just so happened to offer the exact amount of compensation that our service would have calculated, and a sum of between £300-£1,500 based on Financial Ombudsman Service guidance was expected.

### **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 confirm that I've read everything provided by both parties, and listened to all the call recordings. I will explain first that the Financial Ombudsman Service is independent of both consumers and the businesses they are complaining about. This means that we don't act for consumers, nor do we take instructions either from consumers or businesses, or allow either party to direct the course of our investigations; were we to do so, it would compromise our independence and impartiality. It's up to us to determine what evidence we need in order to investigate a complaint. So although I've noted the questions which Mr H would like answered, it's not my role to put those questions to Santander or act as a representative or go-between on this case.

As I said above, the underlying issue in the complaint – the switch to a new interest rate product – was ultimately resolved with Mr H receiving the product he wanted, starting immediately on expiry of his previous product. Although there were some administrative issues and customer service errors that caused Mr H to have to chase up the application, the matter was resolved relatively promptly, as it began on 22 May 2023, and the new offer was issued nine working days later on 3 June 2023.

Santander's acknowledged things could have gone more smoothly, and that there were technical issues and a mistake was made in not submitting the application. Because the bank has accepted this, I don't need to analyse what happened in depth in order to determine who is at fault or why – because I am satisfied that is not in dispute. So much as Mr H might want me to go into detail about what happened, I don't need to, given that the bank has acknowledged mistakes were made. All I need to decide is what needs to be done to put this right.

In addition, although there was some inconvenience caused by the overpayment being reimbursed to a different account (Mr H complained about this on 12 June 2023), Mr H has provided no evidence of any financial loss or detriment as a result.

Given this, although there was some inconvenience caused to Mr H, I'm not persuaded that Mr H suffered "*serious disruption to daily life over a sustained period with the impact felt over many months*". I say this because the evidence is clear that these issues were resolved within a couple of weeks, not "*many months*" as Mr H claims.

Mr H is also unhappy at the way Santander dealt with his complaint and has raised a number of other points relating to the manner and the time it took Santander to investigate his complaint. The complaint was first logged on 22 May 2023, and Mr H followed this up with a more detailed complaint.

Santander explained to Mr H on 17 July 2023 that this would take longer than expected to investigate but the bank gave Mr H referral rights to our service, and the complaint was raised with us on 31 July 2023. The bank's final response letter addressing the complaint was sent to Mr H on 11 August 2023. Mr H is unhappy at the length of time Santander took to respond to the complaint.

The handling of complaints is not itself a regulated activity. It is something that the FCA requires banks and others to do. But that isn't enough to make it a "regulated activity" within the meaning of the rule – that is, one of the list of activities set out in the legislation from which we derive our powers. Furthermore, complaint-handling isn't covered by the definition of an "ancillary activity" contained in the Glossary to the FCA Handbook (DISP is also a part of the Handbook).

As I have explained, the underlying issue about the mortgage administration was resolved when Santander sent out a new offer on 3 June 2023, which Mr H accepted. Mr H's concerns about whether his complaint was logged on 22 May 2023, about failure to call him back to discuss his complaint or about the length of time Santander took to issue a final response letter are not ancillary to the arrangement of a new mortgage interest rate product.

In the circumstances, I don't have any power to consider a complaint about the date on which Santander logged the complaint, the way the complaint was handled or the length of time Santander took to respond to the complaint, as these aren't activities that fall within the scope of our rules.

### **Putting things right**

In all the circumstances, I'm satisfied that the compensation of £250 offered by Santander is fair, reasonable and proportionate to the issues concerning the mortgage account administration detailed above. As I have explained, I'm satisfied those issues were resolved within a short period of time from when they first arose (22 May 2023) to when the mortgage offer was issued (3 June 2023). I'm therefore not persuaded that Mr H has suffered months of distress and inconvenience that would justify a higher award of compensation.

**My final decision**

My final decision is that in full and final settlement of this complaint Santander UK Plc must pay Mr H £250 compensation. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 January 2024.

Jan O'Leary  
**Ombudsman**