

The complaint

Mrs C complains about Santander UK Plc making a direct debit error and withholding her interest payment.

What happened

Mrs C has a 123 current account with Santander and in order to qualify for interest she arranged a second direct debit mandate with Company A. Mrs C's first direct debit with Company A was arranged back in 2015 and this second one in 2023.

However, when Mrs C didn't receive interest on her account, Santander said there was only one direct debit set up and she didn't qualify. Mrs C complained to Santander as she had completed a mandate and Company A confirmed it had been set up.

Santander say they haven't made an error, that the second direct debit wasn't set up and Company A have taken a second payment using the same mandate but a different reference. But this is refuted by Company A.

Mrs C is convinced Santander have made the mistake here, so she complained to our Service. However, our investigator couldn't see that Santander had made an error.

As Mrs C remains dissatisfied, this case has now been referred to me to look at.

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'm not upholding this complaint and I'll explain why.

I should first explain our role is to be impartial and objective and we have a mandate to resolve complaints in an informal way, asking both parties to submit their evidence and arguments to enable a decision based on the submissions presented.

And, where we think a business hasn't acted fairly and / or reasonably in the circumstances, to decide what should be done to put right any financial, or non-financial losses that a consumer has experienced. In cases where information is incomplete, inconsistent 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.

I have sympathy with Mrs C's situation here and can understand her frustration and disappointment. This is because she clearly completed and signed a second direct debit mandate with Company A to qualify for interest, can see two separate payments regularly leaving her account and Company A say they definitely processed two direct debits. Yet, Santander say there is only one direct debit and won't pay her the interest due on her account.

Having carefully reviewed all the information on file, I'm not persuaded that Santander have made a mistake here.

Although I'm satisfied Mrs C completed a second direct debit mandate, and sent this to Company A, Santander say they didn't receive it. Santander's records show they only have one direct debit set up on their system, which is the one set up in 2015 and referenced number 13.

Company A are confident they have received payments from two direct debits and although Mrs C believes that Santander's statements show this to be the case as there are two Company A reference numbers, Santander contest this. Santander have presented evidence in the form of a system report which shows one mandate with two references, so I can't agree with Company A's assertion that the payments are "proof". Also, Santander can't control which mandate or what reference a business uses and have no record of the new mandate. So, I can't see that the issue is due to a Santander processing error, and I think it is more likely than not to be due to other reasons such as:

- Company A not sending the direct debit to Santander
- The direct debit mandate not being received by Santander due to it being lost in the post. Unfortunately, Company A use the postal system instead of the standard electronic method for sending new direct debits.
- Santander receiving the direct debit but mislaying it

As mentioned above, our service can only consider the available information. Also, we are unable to interrogate business files or systems to check information or determine errors and, from the information available, it isn't possible to determine if one of the businesses or the postal service is responsible. So, it would be unfair for me to uphold this complaint, and say Santander are responsible and should be expected to make an exception and recognise two direct debits, when I can't see that this is the case.

I appreciate Mrs C will be frustrated and disappointed as she hasn't done anything wrong here, but I'm unable to uphold this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 6 January 2024.

Paul Douglas
Ombudsman