

## **The complaint**

Mr B is unhappy that Santander UK Plc closed his ISA without his permission and didn't have it recorded on their systems that he was a vulnerable customer.

## **What happened**

Mr B opened a cash ISA and deposited money into it. However, Santander later closed this ISA without his permission and returned the deposited money to the account Mr B sent it from. Mr B wasn't happy about this, and he also wasn't happy that Santander didn't have it recorded on their systems that he was a vulnerable customer. So, he raised a complaint.

Santander responded to Mr B and explained that they had closed his newly opened cash ISA because he had already funded another cash ISA that he held with them in that tax year. Santander also explained that the ISA rules include that only one ISA of any type (such as a cash ISA) can be funded in any single tax year. But Santander did apologise to Mr B for not previously having it on record that he was a vulnerable customer, and they made a payment of £30 to him as compensation for any trouble or upset this may have caused. Mr B wasn't satisfied with Santander's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Santander had acted unfairly in how they'd administered Mr B's ISAs. And they felt the £30 Santander had paid to Mr B for not previously having it on record that he was a vulnerable customer already fairly resolved that aspect of Mr B's complaint. Mr B remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

## **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.

Mr B has said that he didn't fund two cash ISAs in the same year as Santander say that he did. But Santander have been able to demonstrate that Mr B had an existing cash ISA and made a payment of £1 into that cash ISA on 11 April 2023.

In their response to Mr B's complaint, Santander correctly informed Mr B that the ISA rules include that only one ISA of any type can be funded in any single tax year. This meant that because Mr B made the £1 payment into his previously existing cash ISA on 11 April 2023, he was only able to fund this cash ISA – and no other cash ISA – until the end of the tax year in April 2024.

But on 13 April 2023, just two days after Mr B paid £1 into his previously existing cash ISA, Mr B opened a new cash ISA with Santander and paid money into that new cash ISA. This is not permitted by the ISA rules, as explained above.

Because of this, I'm satisfied that Santander didn't do anything wrong or act unfairly when they voided the new cash ISA and returned the money in that voided ISA to the account that Mr B transferred it from. Indeed, because Mr B had breached the ISA rules by funding two

cash ISAs in the same year, I'm satisfied that Santander couldn't reasonably have acted in any way other than how they did here.

Mr B has explained that he opened the new cash ISA because after making the £1 payment into his existing cash ISA he was prevented from making a further payment into that account. But one of the other ISA rules is that total deposits for any one tax year can't exceed £20,000. And Santander have confirmed that after Mr B made his £1 payment, he then instructed a payment of £19,999.99 – which would mean that Mr B would have made payments totalling £20,000.99 and so would have exceeded the £20,000.00 annual ISA allowance by £0.99.

It seems probable that Mr B hadn't intended to transfer £19,999.99 but had instead intended to transfer £19,999.00. This would have taken the total payment to £20,000.00 exactly, which would have been permitted. But unfortunately, it appears that Mr B made an error in his instruction. And because that error – the additional £0.99 – would have breached ISA rules, this is why the instructed payment was rejected. And given Santander's obligations to ensure that ISA rules are adhered to, this seems both fair and reasonable to me.

Mr B is also unhappy that Santander didn't have it on record that he was a vulnerable customer when he spoke with them in April 2023. Santander have apologised for this and confirmed that they had no record that Mr B should be considered as a vulnerable customer before April 2023. Santander also logged Mr B as being a vulnerable customer, thereby correcting the position, and made a payment of £30 to him as compensation for any upset or trouble this may have caused.

Unfortunately, because the issue here is that Mr B wasn't previously recorded as being a vulnerable customer, Santander aren't able to explain why he wasn't previously recorded as such – because Santander have no previous information on their records about that point. Accordingly, I feel a fair outcome here is that Santander should ensure they do now have it logged that Mr B should be considered as a vulnerable customer – which they now do – and that Santander should pay a small amount of compensation to Mr B for what took place.

Santander have made a payment of £30 to Mr B as compensation for this matter. I've considered the impact that not being recorded as a vulnerable customer has had on Mr B. Having done so, I feel that the fact that this matter hasn't been discovered before now suggests that it hasn't had any significant impact on Mr B before this time.

In full consideration of the circumstances of this complaint, as Mr B has described them, along with a consideration of the general framework which this service assesses when assessing compensation amounts – details of which are on this service's website – I feel that £30 is a fair compensation amount for this matter. As such, I won't be instructing Santander to make any further payment of compensation to Mr B beyond this amount.

Finally, Mr B is unhappy with how Santander have handled his complaint, including that a member of Santander's complaints team was rude to him on the telephone. However, as per the rules by which this service must abide – which can be found in the Dispute Resolution (DISP) section of the Financial Conduct Authority (FCA) Handbook – this service is only able to consider complaints about specified activities, of which complaint handling isn't one.

In short, this service can't consider a complaint about how a business has handled a complaint. And this means that this aspect of Mr B's complaint – about how Santander handled his complaint – isn't one that it's within my remit to consider here.

All of which means that I won't be upholding this complaint or instructing Santander to take any further action. This is because I'm satisfied that Santander didn't act unfairly by

administering Mr B's ISA accounts as they did, and because I feel the £30 that Santander have paid Mr B for not having it recorded that he should be considered as being a vulnerable customer already fairly resolves that aspect of Mr B's complaint.

I realise this won't be the outcome Mr B was wanting, but I hope he'll understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 January 2024.

Paul Cooper  
**Ombudsman**