



The complaint

Mr O complains that Santander UK plc (Santander) made excessive charges to his account over the past 6 years and should have been aware he was experiencing financial difficulties.

What happened

Mr O holds a Graduate Account with Santander and feels over the past six years he has been charged excessive amounts of bank charges and Santander should have realised he was having financial difficulties. Mr O feels Santander haven't acted in line with expected codes of conduct.

As a result of these charges, he is suffering financial difficulties and stress. He feels the bank charges for this period should be refunded.

Santander say they gave a refund of one month's bank charges to Mr O as a one-off goodwill gesture, but at no time did he inform them he was having financial difficulties. Santander say he was clearly advised of charges to his account by various methods and these are also included in the terms and conditions of his account. They were surprised that it had taken Mr O six years to raise this issue with them.

Mr O disagreed with Santander's view and referred the case to this service.

The investigator gathered all the relevant information but didn't uphold Mr O's complaint. The investigator said that Santander had no records to show Mr O had advised them of his financial difficulties and they had charged his account in line with the terms and conditions of the account. The investigator felt the £75 refund made by Santander had been made as a gesture of goodwill and they didn't need to do anything else here.

Mr O disagreed with the investigator and asked for the matter to be referred to an ombudsman for a 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.

Having done so, I have come to the same conclusion as the investigator and I will explain how I have come to my decision.

When considering Mr O's complaint I have looked at whether Santander should have been aware of his financial difficulties and whether the fees charged to his account were fair and reasonable.

I can see that it would be difficult for Mr O to cover his day to day living expenses as a student with minimal income and then be faced with regular monthly bank charges.

Mr O says that he faced regular monthly fees on his account and this service has been provided with a comprehensive breakdown of the fees he refers to over a three period between 2015-2018. These fees are as a result of either paid/unpaid transactions,

unarranged overdraft usage fees.

Mr O says that the fact he regularly exceeded his overdraft, was declined a loan was evidence he was suffering financial difficulties and under the Lending Code section 9 and Banking Conduct of Business, Santander had a responsibility to help customers they have reason to believe is in financial difficulty and therefore haven't treated him fairly as a result.

The first occasion I can see that Mr O mentions his financial problems is in 2019, following which the complaint was referred to this service.

Mr O says that the account operation and number of fees charged should have alerted Santander to his financial difficulties. Santander have advised that there was nothing flagged on the account to indicate they would be alerted to this. I have considered this point and have been provided with Mr O's bank transactions for the period he was being charged. From what I have seen I am satisfied that the account does fluctuate within the agreed overdraft limit, although on the occasions the account did exceed the limit, it was quickly brought back within the agreed arranged overdraft with regular credits to his account each month. I am satisfied that the account activity I have seen wouldn't have given Santander cause to believe he was in financial difficulty here.

The charges to his account were detailed in his terms and conditions, which have been provided to this service, and it is worth saying that the account was interest and charge free if he had maintained his account within the approved credit limit.

I have considered Mr O's view that because he was declined a loan by Santander this was further evidence he was in financial difficulties and while I can see he may feel that, loans can be declined for varying reasons but that's not to say when a loan is declined it is because of financial difficulties. It may just be a case that the applicant doesn't meet the criteria set for the loan requested. It follows that I am satisfied this wouldn't have given cause for Santander to believe he was having financial difficulties.

The lending guidance Mr O refers to does, as Mr O says, gives advice on what Santander, like most banks, should do when they have reason to suspect a customer is in financial difficulty and this service expects businesses to treat customers fairly in those circumstances. What is important here is whether Santander should have known that, or as the rules also suggest, if the customer took the responsibility of advising them of any financial problems he was facing.

I have considered these points raised by Mr O, but there was also a responsibility on his part to advise Santander he was having financial problems - but from the information available to me I can't see any evidence that he did. I can see that phone calls took place with Santander and they agreed to refund £75 of charges in 2015 as a gesture of goodwill but there is no evidence provided by either party to suggest Mr O mentions having financial difficulties at this time, or any time before or after this. I can see that Santander when making the goodwill gesture advised Mr O how to avoid future charges going forward and this is what I would expect to see.

While I am sorry to learn that Mr O was suffering health problems and stress – I don't feel that over the period in question here he didn't have the opportunity to have raised this with Santander. On balance, I don't think that because Mr O had regular charges to his account was sufficient reason for Santander to have approached him to discuss his financial position, as his account was operating in line with the intended purpose of the student/graduate account he had.

While I know that Mr O will be disappointed with my decision it follows, I won't be asking

anymore of Santander here.

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 O to accept or reject my decision before 25 August 2020.

Barry White
Ombudsman