

The complaint

Mr F complains that Santander UK plc withdrew his arranged overdraft without giving him notice. He also complains that Santander UK plc didn't inform him it would record information with credit reference agencies about a payment arrangement he made with it.

What happened

Mr F had a current account and an arranged overdraft with Santander. The account was transferred from a Student account to a Graduate account in December 2016. Mr F says Santander wrote to him in May 2019 and told him his account would be transferred to an Everyday account in July.

He says he got a text message from Santander in July and he phoned it at that time. He says Santander said it was going to make the changes to his account, but he explained he was still studying. He says Santander told him he'd have to make a full application for a post graduate account. And, he says it told him he'd have to pay off the full amount of his overdraft before 19 September 2019.

Mr F visited a Santander branch in early August 2019. He says he was told he had until 19 September to pay off his overdraft. After that date there'd be additional charges because he no longer qualified for the fee free overdraft. He says he was surprised when he got a text to contact Santander a few days later. He phoned Santander and was told that his overdraft had been removed on 13 August because he hadn't been maintaining his account.

Mr F says Santander told him he'd have to pay back the full amount of the overdraft. When he explained he'd been told only a few days previously that he had until 19 September to repay the overdraft Santander told him that branch staff didn't have access to all of the information. Mr F says he hadn't received any letters from Santander about his overdraft.

During the call Mr F agreed to repay the overdraft within the next three months. He said he would pay two amounts of £100 and then the balance at the end of the third month. He says he wasn't told this arrangement would be recorded with credit reference agencies. He says this has adversely impacted his credit file. So, he complained to Santander.

Santander investigated his complaint. It said it was a term and condition of the account that he made monthly credits to the account and he hadn't done that. It said it had sent him several letters and text messages about this, but he hadn't made any credits to the account. So, it said it didn't do anything wrong when it withdrew the overdraft.

Santander said its branch staff didn't have access to its collections system and that was why the branch hadn't referred to the letters he'd been sent. But it said it had sent the letters. It also said it had listened to the call when Mr F had made the payment arrangement and its adviser had told him the arrangement would be recorded with credit reference agencies. So, it didn't uphold his complaint.

Mr F didn't agree and so he referred his complaint to our service. Our investigator looked into the complaint. He said that Santander had sent letters about the overdraft to Mr F. It

also had a duty to report the arrangement to credit reference agencies and it had accurately reported the terms of the payment arrangement. So, he thought Mr F had been treated fairly.

Mr F didn't accept what our investigator said. He thought there'd been a fundamental failing when he hadn't been told about the arrears letters when he visited the branch. He says he was told he had until 19 September to repay the overdraft. But Santander had withdrawn the overdraft on 13 August. He also said he didn't get any of the letters. And, he says if he'd been told the arrangement would be recorded with credit reference agencies, he would've paid the whole amount immediately.

Because Mr F didn't agree the complaint has been passed to me to decide.

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've looked at the terms and conditions for the account. These say the customer must regularly pay his primary form of funding, such as salary, into the account. If this doesn't happen, the terms and conditions state that Santander can review its relationship with the customer.

Mr F was provided with these terms and conditions when his account was transferred to a Graduate Account. But, Mr F didn't regularly pay salary, or other form of funding, into the account. So, I think Santander didn't do anything wrong when it reviewed its relationship with him.

Santander wrote to Mr F several times to remind him about the terms and conditions and asked him to make payments into the account. Santander has provided records of the letters it sent to Mr F. I can see letters at different times in 2018 and then again from April 2019.

These letters made clear that regular payments needed to be made and if that didn't happen Santander would withdraw the overdraft. There is a letter dated 2 August 2019 which warns that the overdraft is about to be removed and it gave Mr F ten days to make a payment to the account. The overdraft was then removed on 13 August.

Mr F says he didn't get any of these letters. But I can see that the letters are all correctly addressed to the address Santander held for Mr F on its records. I've also listened to a telephone call Mr F made to Santander on 19 June 2019. During that call he refers to a notification he'd received from Santander a few weeks previously where he says he was told he had to repay the overdraft in full. It was during this call that he asked Santander about changing his account back to a student account.

So, although Mr F says he didn't get the letters, I'm satisfied he did get a letter telling him the overdraft needed to be repaid. And I'm also satisfied that the other letters Santander has referred to were sent to Mr F. I don't think it's fair or reasonable to hold Santander responsible for any letters not having been received.

Mr F says that when he went to a branch of Santander at the start of August it didn't tell him anything about the letters. And he says it told him the overdraft wouldn't be withdrawn until 19 September 2019.

I can understand why Mr F was annoyed when he found out that, despite what he'd been told in the branch, the overdraft was withdrawn on 13 August. Santander says its branch staff don't have access to its collections system.

I've thought about what Mr F has said and the response from Santander. Having done so, I think the information the branch gave to Mr F related to the fact that his arranged overdraft was due to expire in September 2019. Each year in September the arranged overdraft was reviewed and after review it could be withdrawn, amended or renewed.

It is also the case that an overdraft is repayable on demand. And, it can be withdrawn at any time. So, although the branch staff didn't have access to all of the information, I'm satisfied the overdraft could be withdrawn at any time and Santander didn't have to wait until 19 September to withdraw it.

Mr F did become aware the overdraft had been withdrawn when he phoned Santander on 16 August 2019. I've listened to that call.

During the call, Santander told Mr F the overdraft had been removed and he needed to repay it. He was told that if the overdraft wasn't repaid it would affect his credit file. Santander also told him on two occasions during the call that if he made a payment arrangement with it then the arrangement would be recorded on his credit file. So, I'm satisfied Santander did give him this information before he entered into the payment arrangement.

Having considered everything here, I don't think Santander did anything wrong when it withdrew the overdraft and recorded details of the payment arrangement with credit reference agencies. So, I don't uphold this complaint.

My final decision

For the reasons given above I do not uphold this complaint against Santander UK plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 14 October 2020.

Irene Martin
Ombudsman