

The complaint

Mr D is unhappy Santander UK Plc refused his request to increase his overdraft limit. He also complains about issues he's encountered when using an ATM, and with Santander's decision to close some branches.

What happened

In September 2020 Mr D contacted Santander to request an increase to his overdraft limit. But Santander didn't agree, it said it had carried out the necessary checks and – based on the information it had – it wouldn't increase the limit.

Mr D was unhappy with the decision, so he complained. He said if he didn't obtain an increase to his overdraft limit, he wouldn't be able to meet an arranged standing order payment.

Santander sent its final response to Mr D on 25 September 2020. It said it used an established credit-scoring system to review requests like Mr D's, taking into consideration the general management of an account; an account's credit turnover; and information provided by Credit Reference Agencies (CRA). And having carried out these checks on Mr D, it had decided not to increase his overdraft limit at the time.

Moreover, Santander explained to Mr D that he wouldn't incur any charge for an unpaid standing order. And it advised him to contact the third party – who Mr D was supposed to pay – to explain the situation.

Mr D remained unhappy, so he referred his complaint to our service. He said Santander shouldn't have declined his request because he'd recently obtained credit from elsewhere. And if that business would approve him for credit, so should Santander. Mr D also raised some further, more general, issues that he had with Santander. Specifically; he encountered regular problems using a particular branch ATM, which had caused him some recent inconvenience when trying to make a deposit. And he was unhappy with Santander's decision to close some branches.

An investigator here looked at Mr D's complaint, and he set out that he didn't think Santander had done anything wrong when it declined the overdraft limit increase. That's because it didn't have to agree to lend if it felt Mr D didn't meet its criteria. He also said Santander had dealt with Mr D's ATM issues fairly. He noted that it had apologised and paid some compensation to reflect the inconvenience Mr D had experienced. Further, the investigator explained that Santander could make the decision to close branches if it wished.

Mr D disagreed. In summary, he said he was only asking for a temporary increase to his overdraft. He'd been given increases before so felt he should've been able to obtain one when he asked for it. He said the public hadn't been consulted on branch closures, and instead, customers were simply told to use online banking. Mr D also said he had an

ongoing health condition, so visiting branches could be difficult, and he'd been verbally mistreated by local branch staff so didn't want to visit it. Lastly, Mr D said the ATM malfunctioned frequently because of the volume of customers using it. And he linked this to wider branch closures.

As an agreement couldn't be reached, the case has been passed to me to review and 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.

In support of his complaint, Mr D has made several detailed and extensive points. I've summarised things in far less detail, and I may not have commented on everything Mr D has raised. I don't mean any discourtesy by this, and nor do I intend to downplay what happened or how Mr D feels about it.

Rather, my summary of Mr D's concerns reflects the informal nature of our service. But I want to assure Mr D and Santander, that I have thought very carefully about everything that has been said, even though I may not have commented on everything they have told me. And I've focussed my findings on the key issues that I think are relevant to decide this case.

Mr D raised more than one issue of complaint, which he discussed at length with Santander across several phone calls. In this decision I've considered the three main issues Mr D has brought to our service, which are:

- Santander's decision not to increase his overdraft limit;
- frequent ATM issues which causes him inconvenience; and
- the closure of some Santander branches.

I've not seen that Santander issued separate final response letters for each issue – or commented on all of them in one letter. But, nonetheless, given Mr D raised multiple concerns – often at the same time – I've considered them as one complaint. For clarity, I've separated my findings to deal with each issue in turn.

Mr D's request to increase his overdraft limit

Mr D has applied to increase to his overdraft limit more than once, and he's previously been successful. Santander's notes show it increased his overdraft in both January and February 2020.

It appears Mr D attempted to increase his limit twice more after February 2020. First in June and then again in September. Santander decided not to increase Mr D's limit in June, and he complained. But things seem to have been resolved during the same phone call and, from what I've seen, Mr D didn't take the matter any further at the time.

It's important to remember that, for accounts like Mr D's, Santander doesn't offer customers a guaranteed overdraft. Whether or not to provide one is a decision for it to make on a case-by-case basis. And Santander will consider every application for credit on its own merits and in accordance with its lending criteria. Moreover, Santander doesn't need to provide a

detailed reason why it might turn down an application.

From what he's told our service, Mr D is still unhappy Santander declined his application on both occasions. He also pointed out that he was able to obtain credit from elsewhere around the time of his September application. So, he'd like to know how credit scoring led to Santander's decision on that occasion.

Santander explained it takes several factors into consideration when it assesses such applications, including general account management and the account balance turnover – as well as information provided by CRAs. And I'm also aware that the rules Santander needs to follow – when providing an overdraft to customers – require it to consider whether the credit would be affordable for the borrower.

I don't have a copy of Mr D's credit file, but I have been provided with a running statement of his current account. And from the time he made both applications, in June and September, I can see he was consistently either very close to – or exceeding – his agreed overdraft limit. And with that in mind, I'm satisfied Santander had genuine reasons to decline Mr D. So, I don't think it acted unfairly or unreasonably by basing its decision on the information available to it at the time.

Issues with Santander's ATM

Mr D's highlighted persistent issues with an ATM he uses regularly, which he says causes him inconvenience by having to use an alternative.

On the occasion he's complained about here, Mr D wanted to make a cash deposit via the ATM. He was unable to deposit the cash due to a fault with the machine – so he decided to deposit a cheque that he made out to himself instead.

Mr D complained about the ATM fault and how it had impacted him. He said the money was to cover outgoing payments but, because he couldn't deposit the cash, he'd since spent it – and was concerned he'd be left short. So, Mr D wanted Santander to reimburse him £30. Mr D was also concerned about the cheque he deposited, he said it hadn't been credited to his account and he wanted to know the reason why.

At the time, Santander said Mr D would have to wait for the reason to become clear while the cheque went through the clearing process. But it did arrange to pay Mr D £30 to acknowledge the inconvenience he'd suffered as a result of repeated ATM issues. Since bringing his complaint to our service, Mr D has made it clear he's still very unhappy with how Santander dealt with the problems he's had using the ATM.

I've thought about what Mr D has said, and I've no doubt that regular ATM trouble is frustrating. But even so, Santander isn't intentionally taking its machines out of service. And if – as Mr D has said – the machine breaks regularly because of other customers using it incorrectly, that's not something I can fairly hold Santander responsible for.

In fact, I think Santander dealt with Mr D's concerns rather generously in the circumstances. It provided a reasonable explanation, apologised for the lack of ATM service and paid him compensation for the inconvenience. Further, it ensured feedback was given to the branch in question and that Mr D knew what alternative facilities he could use. Regarding Mr D's cheque, Santander has provided evidence to show it was returned unpaid because it was drawn from the same account it was then deposited into. In effect Mr D paid himself from one account, so the cheque cancelled itself out. So, I'm satisfied it wasn't unpaid because of something Santander did wrong.

Branch closures

Mr D's explained why it's difficult for him to access a branch that's not close to where he lives. So, I understand why he's unhappy Santander has decided to close some of its branches over recent years.

That said, it's not for this service to instruct banks – or any business – on where to open branches. Put simply, the decision to open or close branches is Santander's. So, while I understand Mr D's reasons for being unhappy, I can't say Santander has done something wrong by making a commercial decision to close a branch.

Overall

To sum up, it's clear Mr D has several issues with Santander that he's unhappy about. I'm sorry to hear about the impact he's said they've had on his health, and how distressing he's found the matters he's brought to the attention of this service.

That said, while I know Mr D will be disappointed by what I've set out, for the reasons I've explained, I don't think Santander has done anything wrong. So, I don't require it to take further action and I don't uphold this complaint.

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 D to accept or reject my decision before 2 June 2021.

Simon Louth
Ombudsman