

The complaint

Mr T complains that Santander UK plc's alerts tell him he's above his overdraft limit, but he isn't. Mr T says the bank's misleading information is distressing.

What happened

Mr T has a Choice Current Account with Santander, that includes an overdraft. Mr T says he receives alerts from the bank that say he's over his overdraft limit. But he says he receives these when he hasn't gone over his limit, and that Santander's misleading alerts cause considerable distress.

Our investigator didn't recommend the complaint should be upheld. She considered Santander had given a reasonable explanation for why its alerts said Mr T was '*above*' his overdraft limit.

Mr T disagreed with the investigator's conclusions. He said Santander's explanation was difficult for regular customers to understand, and he maintained that the misleading alerts caused distress. He asked for his complaint to be reviewed by an ombudsman.

I issued a provisional decision for the complaint on 14 June 2021. I said I wasn't minded to uphold the complaint, but that my reasons were different to the investigator's. Details of my provisional findings are set out below:

- I'd reviewed the Key Facts document for Santander's Choice Current account. Paragraph 6.3 says (amongst other things):

'6.3 Overdraft alerts

You will automatically be set up to receive an alert when:

- you've made a payment that may take, or has taken you into an Unarranged Overdraft;'

- I'd also looked at the account activity for Mr T's account. It seemed some of the alerts he'd received were sent when certain payments or direct debits were about to be taken. These payments would have taken Mr T above his overdraft limit, even though at the point the alerts were sent he was below the limit.
- From what I could tell, these were payments that '*may*' have taken him into an unarranged overdraft, as referred to in paragraph 6.3 above. In other words, they were pending payments.
- Santander had also clarified that these are regulatory alerts that are sent when pending payments are due, and will or may take the balance above the overdraft limit. I was satisfied that these alerts were accurate and had been sent in line with the account's terms and conditions.
- Santander had also explained that it sends service alerts when a customer is within £50 of their overdraft limit. I thought this might explain why Mr T

occasionally receives alerts telling him he's above his overdraft limit when, in fact, he is technically below it.

- I could see why Mr T may be unhappy with the wording of Santander's service alerts. But the bank had explained that the alerts are designed to help customers manage their accounts and avoid charges. I was mindful that the alerts aren't sent until customers are very close to their overdraft limit, and I didn't consider the £50 limit it had set was unreasonable here.
- I realised that the way Santander had set up these alerts means that, sometimes, Mr T will get alerts before he's reached his overdraft limit. And I could see why that would be frustrating and upsetting for him. But I had to weigh this up against Santander's explanation that the alerts are intended to notify customers of potential difficulties and help them manage their accounts. And Santander had now explained in more detail the circumstances in which the service alerts are sent, so Mr T could manage his account with this in mind. On this basis, I didn't think Santander needed to do any more here.
- Santander had said it's also possible for customers to opt out of receiving the service alerts – which Mr T may want to consider if they continue to cause him distress.
- When I took all of these points into account, I didn't consider Santander's use of service alerts in the circumstances here was unreasonable, even if the wording of the alert hadn't always been entirely accurate in terms of Mr T's situation.
- Mr T was concerned about the impact of these alerts in a wider sense and how they may impact on other customers. But this service can only consider the individual complaints that are referred to us. Having done so here, overall I wasn't persuaded Santander had acted unreasonably so I didn't intend to uphold Mr T's complaint.

Mr T responded with an example of what he considers to be one of Santander's misleading alerts, together with the wording used when customers go into an unarranged overdraft. Mr T remained unhappy with the service alert wording.

Santander said it didn't have anything to add in response to my provisional 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.

I've noted what Mr T has said about the example alerts he's provided in response to my provisional decision. But as I said in that decision, Santander had explained that its service alerts are intended to notify customers of potential difficulties and help them manage their accounts.

Despite what Mr T has said, I still don't consider Santander's use of service alerts in the circumstances here is unreasonable. So I'm not minded to depart from the position set out in my provisional decision.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 23 August 2021.

Caroline Stirling
Ombudsman