

The complaint

Mr and Ms S are unhappy at the interest and charges Santander UK Plc ("Santander") added to their overdraft over the years.

What happened

Mr and Ms S complained to Santander that when facing financial difficulties it failed to offer adequate support and levied excessive charges on their account. One of our adjudicators looked into their concerns and reached the conclusion Santander hadn't done anything wrong or treated Mr and Ms S unfairly and so didn't recommend the complaint be upheld. Mr and Ms S disagreed and so the complaint was passed to an ombudsman for a final decision.

The rules applying to this service say that, I can't look at a complaint made more than six years after the event being complained about – or (if later) more than three years after the complainant was aware, or ought reasonably to have been aware, of cause for complaint. This is Dispute Resolution rule 2.8.2R(2) – which can be found online in the Financial Conduct Authority's handbook.

Mr and Ms S raised their complaint on 25 July 2019 in relation to charges applied to their overdraft from July 2000. Six years before they raised their complaint is 26 July 2013. And as the charges for use of the overdraft would've been notified to Mr and Ms S at the time they were being applied, I think they ought to have known enough to decide whether they were unfair or causing financial difficulty. So, I don't think that three years from when they ought to be reasonably aware they had reason to complain provides Mr and Ms S with a longer period than the six year rule. So, I will only be looking at charges applied from 26 July 2013.

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 considered everything provided, I've decided not to uphold Mr and Ms S's complaint. I'll explain why in a little more detail.

Mr S has referred to the proportionality of the charges applied to his account. But before I go any further, I want to be clear in saying that I haven't considered whether the various amounts Santander charged over the years were fair and reasonable, or proportionate in comparison to the costs of the service provided.

Ultimately how much a bank charges for services is a commercial decision. And it isn't something for me to get involved with. That said, while I'm not looking at Santander's various charging structures per se, it won't have acted fairly and reasonably towards Mr and Ms S if it applied any interest, fees and charges to Mr and Ms S's account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Mr and Ms S were experiencing financial difficulty.

So I've considered whether there were instances where Santander didn't treat Mr and Ms S fairly and reasonably. I don't think that Santander did treat Mr and Ms S unfairly or unreasonably here though. I say this because having looked at Mr and Ms S's statements I can't see anything to suggest that Santander ought to have realised they might have been experiencing financial difficulty prior to it being notified of this. I accept that Mr and Ms S were using the overdraft regularly and there were some months where the account didn't see a credit balance, but the overdraft was eventually cleared in full.

Furthermore, there were regular deposits of salary into the account and Mr and Ms S were often able to bring the account into credit before once again going on to use their overdraft to make debit card transactions. I accept neither of these things in themselves (or taken together) mean that Mr and Ms S weren't experiencing financial difficulty. But there isn't anything in these transactions in themselves which ought to have alerted Santander to any potential financial difficulty.

So, in these circumstances I don't think that it was unreasonable for Santander to proceed with adding the interest, fees and charges it did in light of how Mr and Ms S's account was being used.

Overall and having considered everything, I don't think that Santander treated Mr and Ms S unfairly or unreasonably and this means that I'm not upholding this complaint. I appreciate that this will be very disappointing for Mr and Ms S. But I hope they understand the reasons for my decision and that they'll at least feel their concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr and Ms S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S and Mr S to accept or reject my decision before 8 November 2021.

Caroline Davies
Ombudsman