

## Complaint

Mrs P has complained about the overdraft charges Santander UK Plc ("Santander") applied to her current account. She's said the charges were harsh and, in any event, she was told it was not possible to go into an unarranged overdraft on her account.

## Background

Mrs P's complaint was looked at by one of our adjudicators. She didn't think that Santander had done anything wrong as she wasn't persuaded Santander misled Mrs P nor did it have reason to suspect she may have been in financial difficulty. So she didn't uphold the complaint. Mrs P disagreed with the adjudicator and asked for an ombudsman's decision.

## My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully considered everything provided, I'm not upholding Mrs P's complaint. I'll explain why in a little more detail.

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 charging structure per se, it won't have acted fairly and reasonably towards Mrs P if it applied these interest, fees and charges to Mrs P's account in circumstances where it was unfair to do so. Mrs P says it was unfair for Santander to charge her the fees it did here because she was told it wasn't possible to have an unarranged overdraft on her account. I don't know what Mrs P was told. But Mrs P's account was initially opened as an instant plus account and then changed to a preferred in credit account. The purpose of these accounts was saving rather than operating them as running accounts. And it's likely Mrs P wouldn't have been able to go overdrawn on them.

However, the preferred in credit account Mrs P had was withdrawn in 2013 and it was at this point she was migrated onto the Everyday current account, which as a running account, had a full debit card and the ability to have an overdraft. Mrs P had an overdraft with an agreed limit of £100 until 2018.

I accept it's possible that Mrs P may be recalling her initial discussions about her savings type account, when saying she was told it wasn't possible to go overdrawn on an unarranged basis, rather than recalling the information she was provided with about the Everyday current account she was migrated to in 2013. But even if this is the case, I can't hold Santander responsible for this especially as Mrs P kept the account even after incurring unarranged overdraft fees.

As this is the case, I've not seen enough to be sufficiently persuaded that Santander misled Mrs P into believing that she couldn't go into an unarranged overdraft and incur such fees on her account. And as the terms and conditions Mrs P signed up to permitted Santander to charge Mrs P in the way it did, I'm not upholding this part of the complaint.

Notwithstanding this, it would nonetheless have been unfair for Santander to have charged or continued charging Mrs P where it was aware, or it ought fairly and reasonably to have been aware she was experiencing financial difficulty.

So I've considered whether there were periods where Santander continued charging Mrs P even though it ought to have known she was in financial difficulty or it ought to have realised this was the case. I've looked through Mrs P's statements throughout the period concerned. And I can't see that Santander ought to have been aware that Mrs P might have been struggling during the period we've looked at.

It's fair to say that Mrs P did go into an unarranged overdraft on occasion. But the unarranged overdraft charges on Mrs P's account were incurred sporadically. And while I'm not seeking to make retrospective value judgements over Mrs P expenditure, nonetheless there are significant amounts of non-committed, non-contractual and discretionary transactions account going from the account.

I accept neither of these things in themselves (or taken together) mean that Mrs P wasn't experiencing financial difficulty. And I know Mrs P that these charges did cause her difficulty. But there isn't anything in these transactions in themselves which ought to have alerted Santander to potential financial difficulty.

So, in these circumstances and in the absence of being told anything by Mrs P, I don't think that it was unreasonable for Santander to have proceeded adding the charges that it did. And I don't think Santander unfairly charged Mrs P in circumstances where it ought to have realised that she may have been experiencing financial difficulty. So I don't think that Santander needs to refund any interest, fees and charges and I'm not upholding Mrs P's complaint.

I appreciate that this will be very disappointing for Mrs P. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mrs P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 13 January 2022.

Jeshen Narayanan  
**Ombudsman**