

The complaint

Mr P says the charges Santander UK Plc ("Santander") applied for the use of his overdraft facility are unfair considering his personal circumstances.

What happened

Mr P complained to Santander that he was being charged excessive overdraft fees and that he has struggled for years financially because of it. Santander said the charges were applied in line with the terms and conditions of Mr P's account and that no error had been made. Santander arranged for its financial support team to contact Mr P and conduct a review but Mr P declined all solutions until the outcome of his complaint with this service.

One of our adjudicators looked into Mr P's concerns and reached the conclusion that Santander hadn't done anything wrong or treated Mr P unfairly. Santander offered to partially settle Mr P's complaint by off-setting £200 against the outstanding debt on his account which has since been closed and the debt transferred to an external company.

Mr P declined Santander's offer – he would like £400 of fees waived and his credit history cleared of any adverse notifications.

So the complaint was passed to an ombudsman for a final 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.

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

Mr P 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 P if it applied any interest, fees and charges to Mr P's account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Mr P was experiencing financial difficulty.

So I've considered whether there were instances where Santander didn't treat Mr P fairly and reasonably. I don't think that Santander did treat Mr P unfairly or unreasonably here though. I say this because having looked at Mr P's statements I can't see anything to

suggest that Santander ought to have realised Mr P might have been experiencing financial difficulties prior to it being notified of this.

Mr P's statements show that Mr P was in credit far more than in overdraft and when Mr P's account did become overdrawn this was rectified within a reasonable time frame with incoming credits. There were also significant amounts of non-committed, non-contractual and discretionary transactions. I accept this doesn't necessarily mean that Mr P wasn'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 and where charges have been applied correctly in line with the terms and conditions of the account, I don't think that it was unreasonable for Santander to proceed with adding the interest, fees and charges that it did in light of how Mr P's account was being used. And I don't think that Santander treated Mr P unfairly or unreasonably and this means that I'm not upholding this complaint and I'm not asking Santander to do anything more.

But as Santander has offered a partial refund of fees to offset some of Mr P's debt it's up to Mr P to decide whether he now wishes to accept this offer.

My final decision

For the reasons I've explained, I'm not upholding Mr P's complaint and I'm not asking Santander UK Plc to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 8 February 2022.

Caroline Davies
Ombudsman