

The complaint

Mr K is unhappy with the charges Santander UK Plc (“Santander”) applied to his account for the use of his overdraft. He says he wasn’t notified of the charges in advance.

What happened

Mr K complained to Santander about the charges applied to his account. He felt the charges were disproportionate and was unaware of the charges until recently when he did a review of his account.

Santander said Mr K’s account moved from a Graduate Account to an Everyday Current Account in July 2011. It says Mr K would’ve been notified of the maturity of the graduate account and that no charges would’ve been applied before this. Santander says all charges applied to the account were notified on the monthly statements and applied correctly in-line with the terms and conditions of the account.

One of our adjudicators looked into Mr K’s concerns and reached the conclusion Santander hadn’t done anything wrong or treated Mr K unfairly and so didn’t recommend the complaint be upheld. Mr K disagreed he wants Santander to repay all the charges applied to his account.

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 K’s complaint. I’ll explain why in a little more detail.

Mr K’s first complaint point is that he was unaware until a recent review of his account that he was being charged for the use of his overdraft and that Santander failed to notify him of the charges. Santander’s records show that Mr K’s overdraft facility became chargeable when his graduate account matured in 2011.

I’ve seen copies of Mr K’s bank statements dating back as far as 2015 and can see that the statement is titled “Everyday Current Account” and on the statement it provides the details of the overdraft limit and fees as well as a breakdown of fees charged for the statement period.

It might well be the case that Mr K up until recently didn’t review his statements, but I consider a monthly statement with a breakdown of charges for the period a reasonable notification of charges. So I can’t say Santander did anything wrong here.

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

So I've considered whether there were instances where Santander didn't treat Mr K fairly and reasonably. I don't think that Santander did treat Mr K unfairly or unreasonably here though. I say this because having looked at Mr K's statements I can't see anything to suggest that Santander ought to have realised Mr K might have been experiencing financial difficulties prior to it being notified of this.

Mr K's statements show that although Mr K used his overdraft he was able to regularly bring the overdraft down and at times bring the account into credit. There were also significant amounts of non-committed, non-contractual and discretionary transactions. I accept this doesn't necessarily mean that Mr K 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 K's account was being used. And I don't think that Santander treated Mr K unfairly or unreasonably and this means that I'm not upholding this complaint.

I appreciate that this will be very disappointing for Mr K. But I understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 February 2022.

Caroline Davies
Ombudsman