

The complaint and background

Mr D has complained about Santander UK Plc's decision to agree to increase his overdraft several times between May and July 2017, during a period when he was struggling with a gambling problem. He says Santander should have realised that he was in serious difficulties and should not have allowed him to increase his overdraft.

Santander looked at Mr D's complaint but didn't think it had done anything wrong. Mr D remained unhappy and so referred his complaint to our service.

One of our adjudicators looked at Mr D's complaint. He felt that Santander should have realised the extent of Mr D's difficulties by the time he asked for his overdraft to be increased to £900 on 10 June 2017. So the adjudicator recommended that Santander refund to Mr D the charges incurred as a result of this overdraft increase and all subsequent overdraft increases, backdate any negative information on Mr D's credit file to 10 June 2017, and pay Mr D £100 for distress and inconvenience.

Santander agreed to settle Mr D's complaint in line with the adjudicator's findings. Mr D was initially happy with this, but subsequently explained that he felt the payment for distress and inconvenience was too low, he said it didn't recognise the serious impact Santander's actions had on his circumstances. As an agreement could not be reached, this complaint has been passed to me for an ombudsman's 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 agree with our adjudicator's findings that Santander should not have agreed to increase Mr D's overdraft when he made his second request for an increase on 10 June 2017. It should have been clear by that point that Mr D was at significant risk of financial difficulties given his clear problem with gambling. But with everything I've seen I'm satisfied that what our adjudicator has recommended and what Santander has already agreed to do, is fair in all the circumstances of this complaint.

I appreciate that Mr D feels Santander should pay him a higher award for compensation for the impact this issue has had on him, and I understand why Mr D feels that way. But given what Mr D has told us about his personal circumstances overall, I think it would be difficult for me to say that Santander's actions were the main reason behind the difficult situation he found himself in. So although I appreciate this will be very disappointing for Mr D, I'm still satisfied that by taking the steps our adjudicator has recommended, Santander will have done enough to fairly resolve this complaint.

Putting things right

Having thought about everything, and bearing in mind what Santander has now offered to do here, I think that it would be fair and reasonable in all the circumstances of Mr D's complaint for Santander to put things right by:

- Refunding to Mr D the fees applied to his account from 10 June 2017 until account closure.

AND

- Backdate any negative information recorded on Mr D's credit file to 10 June 2017

AND

- Santander should also make a £100 award for the distress and inconvenience this has caused Mr D.

My final decision

For the reasons I've explained, I'm upholding this complaint, and I direct Santander UK Plc to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 March 2022.

Sophie Mitchell
Ombudsman