

## Complaint

Mr B is unhappy that Santander UK Plc ("Santander") started charging interest on the overdraft facility he had on his graduate account without notifying him in advance.

## Background

One of our adjudicators looked into Mr B's concerns. She didn't think that Santander had done anything wrong or treated Mr B unfairly and so didn't recommend the complaint be upheld. Mr B disagreed and so the complaint was passed to an ombudsman for a final 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've decided not to uphold Mr B's complaint. I'll explain why in a little more detail.

Mr B's graduate terms were always due to expire before the start of the 2021 academic year. So I'm satisfied that Santander was entitled to change the terms of Mr B's account at this time. However, even though Santander was entitled to vary Mr B's account, I would expect a bank doing this to provide a customer with notice of any changes in advance of them happening.

Santander has provided information to show that it sent the required notification in advance of Mr B's account changing. I know Mr B says he didn't receive any letters. But the letters were correctly addressed using Mr B's address details. So while it's possible Mr B may not have received the letters, or paid much attention perhaps because he didn't realise the significance at the time, Santander did what it was required to. And I don't think it acted unfairly as it appears to have taken reasonable steps to notify Mr B that he'd have to start paying to use an overdraft.

That said, even though Santander notified Mr B of the upcoming changes to his account in advance of them happening, it still won't have acted fairly and reasonably towards Mr B if it applied any interest, fees and charges to Mr B's account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Mr B was experiencing financial difficulty. So I've considered whether Santander charged Mr B even though it knew he was in financial difficulty or it ought to have realised this was the case.

I've looked through the account ledgers provided. And I can't see that Santander ought to have been aware that Mr B might have been struggling in the period leading up to the account change. Mr B did use his overdraft. But while I'm not seeking to make retrospective value judgements over Mr B 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 Mr B wasn't experiencing financial difficulty. But there isn't anything in these transactions in themselves which ought to have alerted Santander to potential financial difficulty and which meant that it would have been fair and reasonable not to have applied the charges here.

So, in these circumstances and in the absence of being told anything by Mr B, 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 charged Mr B in circumstances where it ought to have realised that it was unfair to do so. As this is the case and I think that Santander took reasonable steps to notify Mr B that it would be charging him to use an overdraft, I'm not upholding Mr B's complaint.

I appreciate that this will be very disappointing for Mr B – especially as it has taken sometime for his complaint to reach this stage. But I hope he'll 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 B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 March 2022.

Jeshen Narayanan  
**Ombudsman**