

The complaint

Ms R is unhappy at the interest and charges Santander UK Plc ("Santander") applied to her account over the years. She says the charges left her short on pension and caused her financial difficulty.

What happened

Ms R complained to Santander that it levied excessive charges on her account when she was in financial difficulty. Santander says all charges were applied correctly in line with the terms and conditions of the account but offered her a gesture of goodwill payment of £50 which Ms R rejected.

One of our adjudicators looked into her concerns and reached the conclusion Santander hadn't done anything wrong or treated Ms R unfairly and so didn't recommend the complaint be upheld. Ms R disagreed and so the complaint was passed to an ombudsman for a final decision.

Why I think we can only look at part of your complaint

The rules applying to this service say that, I can't look at a complaint made more than six years after the event being complained about – or (if later) more than three years after the complainant was aware, or ought reasonably to have been aware, of cause for complaint. This is Dispute Resolution rule 2.8.2R(2) – which can be found online in the Financial Conduct Authority's handbook.

Ms R raised her complaint in February 2021 in relation to charges applied to her account dating back to 2014. Six years before she raised her complaint is February 2015. And as the charges for use of the account would've been notified to Ms R at the time they were being applied, I think she ought to have known enough to decide whether they were unfair or causing financial difficulty. So, I don't think that three years from when Ms R ought to be reasonably aware she had reason to complain provides her with a longer period than the six year rule. So, I will only be looking at charges applied from February 2015.

I can still look into Ms R's complaint about overdraft charges outside this time if I'm satisfied the failure to complain earlier was due to exceptional circumstances. Ms R has told us that she was overseas and wasn't receiving statements so she didn't know that she was being charged, so she wouldn't have known to complain.

I sympathise with Ms R and I accept that managing her account from abroad is not always straightforward. But I can see from notes recorded on Santander's system that Ms R was given a refund of charges in 2014 and at the same time educated about the charges that applied to her account. And ultimately it is Ms R's responsibility for managing her account and updating Santander with her address details so she can continue to receive important correspondence such as bank statements from it.

I understand why ensuring she received bank statements and information on her account while she was abroad may not have been a priority for Ms R, but I don't think it would be fair

to penalise Santander for this. And as such I don't think that exceptional circumstances apply so I am unable to look at charges applied before February 2015.

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 Ms R's complaint. I'll explain why in a little more detail.

Ms R has referred to the proportionality of the charges applied to her 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 Ms R if it applied any interest, fees and charges to Ms R's account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Ms R was experiencing financial difficulty.

So I've considered whether there were instances where Santander didn't treat Ms R fairly and reasonably. I don't think that Santander did treat Ms R unfairly or unreasonably here though. I say this because having looked at Ms R's statements I can't see anything to suggest that Santander ought to have realised she might have been experiencing financial difficulty prior to it being notified of this. Indeed, in the years I've looked at, Ms R very rarely if at all went into overdraft and mainly had a healthy credit balance in her account.

So I can't say there is anything which ought to have alerted Santander to any potential financial difficulty. And in these circumstances I don't think that it was unreasonable for Santander to proceed with adding the interest, fees and charges it did in light of how Ms R's account was being used.

Overall and having considered everything, I don't think that Santander treated Ms R unfairly or unreasonably and this means that I'm not upholding this complaint.

My final decision

For the reasons I've explained, I'm not upholding Ms R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 21 March 2022.

Caroline Davies
Ombudsman