

## The complaint

Miss D is unhappy with the charges that Santander UK Plc has applied to her overdraft. She says she was struggling financially for many years and that Santander's charges contributed to those difficulties.

## What happened

Miss D complaint that the charges Santander applied to her account from 2014 onwards were unfair. Santander did not agree that it had done anything wrong, and so Miss D referred her complaint to us.

One of our adjudicators looked into Miss D's concerns and ultimately didn't think Santander had treated Miss D unfairly. Miss D disagreed and 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.

We've set out our general approach – including the rules, regulations and good industry practice we consider when looking at whether a bank treated a customer fairly and reasonably when applying overdraft charges - on our website. And I've referred to this when deciding Miss D's complaint. Having considered everything provided, I've decided not to uphold Miss D's complaint. I'll explain why.

Before I go any further, I want to be clear in saying that I haven't considered whether the amounts Santander charged 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. So while I appreciate that Miss D thinks it was unfair for Santander to allow payments to go through when she had no funds available and to then apply charges for honouring those payments, this general practice isn't something that I can consider.

But Santander won't have acted fairly and reasonably towards Miss D if it applied any interest, fees and charges to her account in circumstances where it was aware, or it ought fairly and reasonably to have been aware, that she was experiencing financial difficulty. So what I can consider here is whether there were instances where Santander didn't treat Miss D fairly and reasonably.

I don't think that Santander did treat Miss D unfairly or unreasonably though. From November 2012 until September 2017 Miss D's account had been a student or graduate account, and so she would only incur charges if she went over her arranged limit or had items paid or returned when there were not enough funds in her account. I can see that Miss D did incur some charges during this time, but in general these charges were occasional only, and didn't suggest a cycle of charges that she was unable to get out of. I acknowledge that Miss D was consistently overdrawn during this time, but given that

she wasn't being charged for using her arranged overdraft, I wouldn't have expected Santander to step in here.

Once her account converted to the type of account that charges for using the arranged overdraft, I would expect Santander to have stepped in to offer assistance if it became clear that Miss D was going to be unable to manage her overdraft going forwards. But while I acknowledge that there was a period after the account converted where she was incurring regular arranged overdraft charges, as well as some charges for paid and returned items, Miss D was able to bring her account back into credit by March 2018, within around 6 months of the account being converted, and it has been well maintained since then.

I accept that this doesn't mean that Miss D wasn't experiencing financial difficulty. And I know she feels that these charges did cause her difficulty and that she was only able to repay her overdraft by taking out credit with other lenders. But there isn't anything which I think ought to have triggered Santander to review her account in more detail or alerted Santander to potential financial difficulty. So, in these circumstances I don't think that it was unreasonable for Santander to have proceeded adding the charges that it did.

So as I don't think Santander unfairly charged Miss D in circumstances where it ought to have realised that she may have been experiencing financial difficulty, I don't think that Santander needs to refund any interest, fees and charges and I'm not upholding Miss D's complaint. I appreciate that this will be very disappointing for Miss D, but I hope she'll understand the reasons for my decision.

### **My final decision**

For the reasons I've explained, I'm not upholding Miss D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 22 March 2022.

Sophie Mitchell  
**Ombudsman**