

## The complaint

Mr W is unhappy at the interest and charges Santander UK Plc ("Santander") added to his account – he says the charges kept him in a cycle of debt.

## What happened

Mr W complained to Santander that the overdraft charges were keeping him in a cycle of debt and that he was financially dependent on the overdraft and that Santander failed to offer adequate support. Santander says all charges were applied in line with the terms and conditions of the account.

One of our adjudicators looked into Mr W's concerns and reached the conclusion Santander hadn't done anything wrong or treated Mr W unfairly and so didn't recommend the complaint be upheld. Mr W disagreed, 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 W's complaint. I'll explain why in a little more detail.

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

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

Mr W may argue that his regular use of her overdraft was in itself an indication that he was struggling. I can see that from January 2020 when Santander starting charging Mr W for the use of the overdraft facility that although Mr W was using his overdraft regularly a healthy salary was being paid in which brought his overdraft down and sometimes into credit. And while I'm not seeking to make retrospective value judgements over his expenditure,

nonetheless there are significant and at times large amounts of cash withdrawals, transfers and non-committed, non-contractual and discretionary transactions.

While by themselves these amounts weren't enough to pay off his overdraft in full, but it was certainly enough to bring it down and pay it off within a reasonable time should he have chosen to do so.

I accept this doesn't necessarily mean that Mr W didn't experience financial difficulties. But there isn't anything in on the statements in themselves which ought to have alerted Santander to any potential financial difficulty. And the amount being credited to the account each month didn't indicate that there was no reasonable prospect of him seeing a credit balance at any stage either.

So, in these circumstances 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 W's account was being used. And I don't think that Santander treated Mr W unfairly or unreasonably and this means that I'm not upholding this complaint.

I appreciate that this will be very disappointing for Mr W. 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 W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 March 2022.

Caroline Davies  
**Ombudsman**