

## **Complaint**

Miss B is unhappy that Santander UK Plc (“Santander”) started charging interest on the overdraft facility she had on her graduate account without notifying her in advance. She says her overdraft was supposed to be interest and fee free up to an amount of £2,000.00.

## **Background**

One of our adjudicators looked into Miss B’s concerns. He didn’t think that Santander had done anything wrong or treated Miss B unfairly and so didn’t recommend the complaint be upheld. Miss 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 Miss B’s complaint. I’ll explain why in a little more detail.

It isn’t in dispute that Miss B graduate terms were due to expire before the start of 2020. So I’m satisfied that Santander was entitled to change the terms of Miss B’s account at this time. However, even though Santander was entitled to vary Miss 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 that it sent the required notification in advance of Miss B’s account changing. I know Miss B says she didn’t receive any letters. But the letters were correctly addressed using Miss B’s address details. So while it’s possible Miss B may not have received the letters, or paid much attention perhaps because she 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 Miss B that she’d be paying to use her overdraft.

Miss B may be unhappy that these communications were sent to her by post. But while certain documents such as statement alerts can be sent by email, it is good practice for firms to send formal correspondence such as notice of a variation in the terms of an account by post. So I don’t think that Santander acted unfairly in this regard.

Finally, I know that Miss B has said that she will always be a graduate and this doesn’t change and didn’t end after two years. While this is the case, graduate accounts are specifically for recent graduates. And in particular the interest free overdraft benefits for these accounts are only usually available for a defined period – usually a couple of years – after graduation. So while Miss B is correct in saying that so will always be a graduate, this unfortunately does not mean that she will always be entitled to graduate terms on a current account.

Overall and having considered everything, while I do appreciate Miss B's strength of feeling on this matter, I don't think that Santander has treated her unfairly. And so I've not been persuaded to uphold Miss B's complaint. I realise that this will be very disappointing for Miss B. But I hope that she'll understand the reasons for my decision and at least feel that her concerns have been listened to.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 4 July 2022.

Jeshen Narayanan  
**Ombudsman**