

The complaint

Miss M is unhappy with how Santander UK Plc dealt with her when she needed help. She says it didn't provide enough support to help with her overdraft facility and the information she received from Santander wasn't always clear.

To resolve her complaints, she wants Santander to compensate her for the stress caused by the situation.

What happened

I issued a provisional decision on this complaint on 8 June 2022 where I set out the background to this complaint and my provisional findings. My provisional decision explained:

"What happened

Miss M says she had a student account with Santander and then it became a graduate account. The account had an arranged overdraft but didn't attract interest until it became an everyday account in July 2021.

Miss M has said she had many unfortunate incidents, including being stalked which led to her losing her job and becoming homeless. These all impacted her ability to repay the overdraft facility. Miss M says she kept Santander updated about her circumstances at all times and had a specific caseworker dealing with her case. Miss M says when that caseworker was unavailable, she had to explain her circumstances to several members of staff which she found distressing.

Miss M also says she'd been given inconsistent information, about why she needed to open a different account and what the implications of her inability to repay the overdraft facility were, including adverse information on her credit file. Miss M says she'd asked Santander to write to her as she had a learning disability, but she didn't receive the letters sent. Also, Santander blocked Miss M's card and couldn't remove it or explain why this was done. She says some members of staff she dealt with at Santander were rude to her and that had caused her further distress.

Santander didn't think it had done anything wrong, it says it supported Miss M in her difficulty but was unable to offer her an open-ended interest free overdraft facility. It has also requested Miss M's permission to record her circumstances on its system so that she didn't need to repeat herself whenever she called.

One of our adjudicators looked at what both parties said and thought that Santander treated her fairly, Miss M disagreed and said Santander hadn't done enough.

Since bringing the complaint to this service, Miss M has moved her account to a different bank. It isn't clear if she took Santander's offer to record her circumstances on its system or whether that offer is still relevant to Miss M.

What I've provisionally 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.

Miss M has clearly had a very challenging few years, she has gone into some detail about her struggles and how this has impacted her ability to get back on her feet. It's positive that Miss M has said she has now found a permanent job and is trying to rebuild her life. My role is to consider what happened here, and if Santander has done something wrong, what it needs to do to put it right.

Having thought about all the information here, Santander has charged interest in line with the overdraft facility. Santander helped Miss M in her financial difficulties and didn't chase Miss M for the repayment of the overdraft which it was entitled to do. I haven't seen evidence that it recorded adverse information on her credit file.

Santander explained that it couldn't offer Miss M the overdraft facility without interest indefinitely and gave her the options available. It also had a specific caseworker that dealt with her. But I understand that wasn't always possible to connect her to Miss M when she called. I know this upset Miss M because she didn't want to have to explain her circumstances to other staff members. But I can't say it's unreasonable that her named contact wasn't always available when she called. Santander has offered to note Miss M's circumstances on its system, so she doesn't have to repeat herself if she speaks to other staff members, which feels fair to me.

Santander explained that to help Miss M manage the overdraft debt on her main account she could open another account where her wages would be paid. This would let her pay off her overdraft gradually. I appreciate Miss M became distressed when Santander suggested that the overdraft facility could be removed because she hadn't made any payments to it. She says she hadn't paid anything into the main account because of the advice Santander gave her. I appreciate Miss M's point, but I don't think the information from Santander was unreasonable. The new account would've allowed her repay the overdraft debt slowly with an amount she could afford. And the rest of her wages would be available to her through her new account.

I've listened to several call recordings between Miss M and Santander and can hear Miss M was made aware Santander would follow up some of their conversations with letters. For example, when Santander was sending out the income and expenditure form, Miss M confirmed the address and said she picked up her post from there regularly. I appreciate that at the time Miss M says she was homeless but I'm also mindful that she was made aware of the letters being sent and confirmed she was in a position to collect them. In those circumstances, it wasn't unreasonable for Santander to write to her and expect her to receive the letters. Santander also apologised to Miss M when she said some colleagues were rude to her.

Miss M's card got blocked and when she called Santander to find out why and how this could be resolved, Santander was unable to explain the reasons or remove the block. I understand this caused Miss M stress and inconvenience because she was unable to pay her rent. It's unclear why the block was put on Miss M's card as Santander has been unable to explain this. I think it should have done more to resolve the issue with Miss M's blocked card and provide an explanation. Santander needs to compensate Miss M for this.

Overall, I think Santander treated Miss M fairly for the most part but I think the blocked card and the delay with resolving this had a significant impact on Miss M. I'm minded to ask it to pay Miss M £200 by way of compensation."

Both parties have now responded to my provisional decision to say they agree.

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.

As both parties agree to my provisional findings, I see no reason to depart from those findings.

Putting things right

Santander should pay Miss M £200 for the trouble and upset caused when it blocked her card without explanation.

My final decision

I uphold Miss M's complaint in part and direct Santander UK Plc to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 27 July 2022.

Oyetola Oduola
Ombudsman