

## **The complaint**

Mr M is unhappy that Santander UK Plc (“Santander”) removed his overdraft facility without any warning when he was of the understanding that as long as he kept to the arrangement to repay no action would be taken.

## **What happened**

Mr M had a bank account with Santander with an arranged overdraft of £2,000. In November 2021 Mr M’s account entered collections as he was over his agreed overdraft limit. An arrangement to repay this was agreed over a 15 month period, which would bring the balance of Mr M’s account back into the agreed overdraft limit.

Following an automated review by Santander in March 2022 Mr M’s overdraft was removed without notice.

Mr M complained to Santander about this as he couldn’t afford to repay the outstanding overdraft balance in full and is unhappy with the affect this has had on his credit file.

Santander says while it would usually aim to give a customer 30 days’ notice of its intention to change or repay an overdraft it can do so without any advance notification. And as such no error had been made.

Mr M was dis-satisfied by this and brought his complaint to this service.

One of our adjudicators looked into Mr M’s concerns and reached the conclusion that Santander hadn’t done anything wrong or treated Mr M unfairly as overdrafts can be reduced or withdrawn at any time and that Santander had acted within its terms and conditions and wasn’t required to give notice.

Mr M disagreed. He says not only did Santander fail to give notice that it was going to remove his overdraft facility but also failed to tell him once this was done leaving him with adverse markers on his credit report when he could’ve agreed a payment plan and avoided this. 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.

Having considered everything provided, I’ve decided not to uphold Mr M’s complaint. I’ll explain why in a little more detail.

My role is to look at problems that a consumer has experienced and see if the bank has done anything wrong. If it has, we seek to put the consumer back in the position they would’ve been in if the mistakes hadn’t happened. And we may award modest compensation that we think is fair and reasonable.

Following a review Santander removed Mr M's overdraft facility in March 2022. Mr M is unhappy that this was done without giving him any advance notice.

Section 7.4 of Santander's general conditions for all overdrafts allow for it to change an arranged overdraft limit at any time including requiring the repayment of the whole amount and that it may do so without advanced notice where it would be reasonable for it to do so.

So as the conditions of Mr M's account allow Santander to remove Mr M's overdraft facility without notice - although I can appreciate Mr M's unhappiness at this - I can't say Santander made an error here. And even if Mr M was given notice, I don't think it would've made a difference to the outcome as Santander had made the decision to remove the overdraft facility regardless of whether notice was given or not.

I also understand Mr M was under the impression that provided he stuck to his arrangement that was agreed in December 2021 that no further action would be taken regarding his overdraft. But this was an arrangement to repay the amount outstanding above his agreed overdraft limit and was separate from Santander's decision to remove the overdraft facility and request repayment of it in full. Again, the conditions of the account allow Santander to request the repayment the overdraft in full at any time. So I don't think that Santander renegeed on any agreement here.

Mr M says if he'd known his overdraft had been removed, he would've made an arrangement to pay back Santander. But from the internal call notes I've seen from August 2022 Mr M couldn't afford the payments necessary to clear the outstanding debt, so no formal arrangement was agreed. So I don't think it would've made a material difference if or when Mr M was told the overdraft had been removed as he wasn't in a position at the time the overdraft was removed to pay it back.

Finally, I understand Mr M is unhappy about the information recorded on his credit file. But Santander does have a duty to make sure the information it reports on its customers affairs to the credit reference agencies it subscribes to is factually accurate. And from what I understand, what Santander has reported - that Mr M is in an arrangement - is an accurate reflection of Mr M's management of his account.

So it follows that I do not uphold this complaint as Santander has not made an error or done anything wrong.

**My final decision**

For the reasons I've explained, I'm not upholding Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 May 2023.

Caroline Davies  
**Ombudsman**