

### **The complaint**

Mrs C is unhappy at the amount of overdraft charges and fees applied to her account by Santander UK Plc ("Santander") when she was in financial difficulty and the lack of support she received.

### **What happened**

Mrs C had an account with Santander with a £900 overdraft facility. Around the start of 2019 Mrs C started exceeding her arranged overdraft limit and by April Mrs C stopped crediting and using the account. Santander started writing to Mrs C about the status of her account in June asking that she pay the outstanding amount to bring her account back to within its agreed limit.

Mrs C failed to respond to the letters and Santander cancelled all direct debits, put a block on her debit card and in July transferred her account to its collections department with an outstanding balance of £1,60.15. Santander continued writing to Mrs C inviting her to get in touch and keeping her updated, but Mrs C never responded and as such Santander sent her a notice of default in October and defaulted the account the following month.

Following this Mrs C got in contact with Santander and made it aware of her circumstances and raised a complaint regarding the fees and charges applied to her account. Santander didn't uphold her complaint – it said Mrs C had never made it aware of her situation previously and that it doesn't refund historic charges that have been applied correctly.

Mrs C was dis-satisfied with this and brought her complaint to this service.

One of our adjudicators looked into Mrs C's concerns and thought that up until 2019 Mrs C had managed her account well and that as Santander stepped in within a reasonable time of Mrs C's account showing signs of financial difficulty, they didn't think Santander had done anything wrong or treated Mrs C unfairly.

Mrs C 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.

Firstly, to be clear my decision only covers Mrs C's complaint point regarding the overdraft charges applied to her account and support Santander provided her.

Having considered everything provided, I've decided not to uphold Mrs C's complaint. I'll explain why in a little more detail.

Mrs C has referred to the proportionality of the charges applied to her 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 Mrs C if it applied any interest, fees and charges to Mrs C's account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Mrs C was experiencing financial difficulty.

So I've considered whether there were instances where Santander didn't treat Mrs C fairly and reasonably before Mrs C got in touch with it. I don't think that Santander did treat Mrs C unfairly or unreasonably here though. I say this because having looked at Mrs C's statements for the period from 2016 until Mrs C stopped using the account in April 2019 and Santander started writing to Mrs C about the status of the account, I can see little, if anything, to suggest that Santander ought to have realised Mrs C might have been experiencing financial difficulties.

Having reviewed Mrs C's statements I can see that she managed her account well until around January 2019. Although Mrs C did use her overdraft, she received a regular salary and often saw a credit balance. I also see that Mrs C regularly transferred large amounts to another account and up until June 2018 Mrs C held around £1,700 in an ISA – enough to pay off her overdraft.

Mrs C says the cash transfers went into a joint account she held with her ex-husband and was used to pay household bills and the mortgage. I accept this might well be the case, but from her statements alone Santander wouldn't know this was the case. And in these circumstances and where charges have been applied correctly in line with the terms and conditions of the account, 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 Mrs C's account was being used.

I can see that from around February 2019 Mrs C started using her account differently. Mrs C's statements show that she was exceeding her overdraft limit, direct debits were being returned and she no longer had any money left in her ISA. And in April Mrs C stopped using the account.

But I can see that within two months (what I consider a reasonable period of time) Santander started writing to Mrs C regarding the status of her account, advising what she needed to do and asking her to contact it if she was in financial difficulty. And as there was no response Santander cancelled direct debits and the overdraft, transferred her account to collections and stopped charging interest. All of this is in-line with what I'd expect.

I accept Mrs C's circumstances were very difficult and she may not have been living at the address Santander was writing to or receiving the letters. But I've seen no evidence that Mrs C got in touch with Santander to make it aware of her circumstances or change of address, so I don't think there is much more Santander could've done and I can't say Santander did anything wrong based on the information it had.

So overall, I don't think that Santander treated Mrs C unfairly or unreasonably and this means that I'm not upholding this complaint.

### **My final decision**

For the reasons I've explained, I'm not upholding Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 12 October 2023.

Caroline Davies  
**Ombudsman**