

## **The complaint**

Mr T complains that Santander UK Plc unfairly applied an overdraft charge to his current account without explanation.

## **What happened**

Mr T holds a Santander current account. He received notification of a £3.73 charge the bank was applying to his account, which it said related to use of an approved overdraft at the end of July 2023. Mr T couldn't see where his account had gone overdrawn and used Santander's online chat facility several times to try to find out why he was being charged.

Santander ultimately couldn't establish why the overdraft charge had been triggered. It concluded the charge had been made in error and apologised for the difficulties Mr T had experienced dealing with the matter. The bank refunded the charge and offered to pay Mr T £50 compensation. Mr T didn't accept Santander's proposal. He remained concerned about the potential for the charge to have an adverse impact on his credit rating and his ability to obtain a mortgage.

Our investigator felt Santander had taken reasonable steps to rectify its error, though he recognised that Mr T had needed to contact the bank several times, which had caused him distress and inconvenience. The investigator noted there was no evidence of an adverse impact on Mr T's credit file. Overall, he considered Santander's offer fair.

Mr T hasn't agreed and has asked for this review.

## **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 done so, while I acknowledge Mr T's strength of feeling I'm not going to require Santander to pay more compensation or take any more action to resolve his complaint. I'll explain why.

It's not entirely clear why Mr T received a notification that his account had been overdrawn. It's possible there was a point on 29 July 2023 when the account balance was in this position; I can see there were significant sums credited and debited on this day, and the running account balance might have been affected by the order of these payments, even if day's opening and closing balances were in credit. Whatever the position, Santander has said that the charge was applied in error, so I don't propose to probe this aspect further.

In such circumstances, I'd expect the bank to apologise, correct its mistake and –where appropriate – offer compensation for any loss, trouble or upset caused. That's what Santander has done. The dispute is over whether the bank needs to do more than it has offered.

I've considered what Mr T has said about the potential impact on his credit rating, and the steps he had to take to get Santander to address his concern. I agree it shouldn't have been necessary for him to have to contact the bank several times in order for it to rectify matters. It's only right that it compensates him for any unnecessary inconvenience.

I think the £50 Santander proposed in recognition of this is a fair sum. But I'm not persuaded there's been any material impact on Mr T's credit rating, or that his ability to obtain future credit would be affected by a modest charge that was refunded within a couple of weeks. Nor do I think there's any purpose in my directing Santander to delete the charge from Mr T's account statements. The charge, and the corresponding refund, are events that happened on Mr T's account. And in the unlikely event that a prospective lender queries events, Mr T has the bank's response – and this decision – to assist explanation.

### **My final decision**

Santander UK Plc has refunded the charge and made an offer to pay Mr T £50 to settle the complaint. I think this offer is fair in all the circumstances. So my final decision is that Santander UK Plc should pay Mr T £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 December 2023.

Niall Taylor  
**Ombudsman**