

The complaint

Miss D complains about Santander UK Plc failing to accept her request to remove fees and also applying a default which has impacted on her credit report.

What happened

Miss D had a 5-year student account with Santander and asked to extend this. In late 2022, Miss D's account started to attract unarranged overdraft fees. Santander informed Miss D and took account action but, as Miss D hadn't updated her address, their letters weren't being received.

Miss D made a large payment towards the end of December 2022. However, this amount was insufficient due to the fees that had been applied to her account. So, Santander served a default notice to Miss D at the start of January 2023. And, as the amount of £210.04 wasn't paid within 14 days of the 19 January 2023 notice, they subsequently defaulted her account.

Miss D complained to Santander and asked them to reverse the default and the report to a Credit Reference Agency (CRA). This is because she says she informed them and sent proof, prior to the default in December 2022, that she was still a student so the fees shouldn't apply. Miss D explains she followed Santander's instructions, twice sending proof she was still a student to a stated PO Box address. As Santander can't confirm the PO box or receipt, she thinks they've been negligent.

Santander didn't uphold her complaint. They said they hadn't received her student evidence but even if they had received it and changed the account type, she still wouldn't have been meeting the terms and conditions of the account and the default would have happened anyway. In addition, they said they'd advised her to take evidence into a branch and she hadn't done so.

Miss D complained to our service, but our investigator didn't uphold her complaint.

As Miss D remains dissatisfied, this case has now been referred to me to look at.

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, I'm not upholding this complaint and I'll explain why.

From reviewing the file, I found Miss D's submission, that she was continuing as a student and was informed by Santander she could send in evidence, persuasive. However, although I think it was likely Miss D was told she could post her student proof, there is no evidence to show:

- Whether there was a discussion about the impact on her outstanding debt
- What was communicated by Santander
- Where information should be sent

- What information was sent and received

However, there is evidence that, prior to applying the default, Santander advised Miss D to visit a branch to show her student proof in January 2023. So, regardless of the above, there was an opportunity for Santander to receive Miss D's student proof at a branch and consider migrating her account back to a student account, before the default was applied.

As Santander say:

'Even if we had received evidence and changed the account type, you still would have not been meeting the terms and conditions of the account and the default would have happened anyway (albeit with a smaller balance owed). Combine this with being instructed to take evidence into branch and not doing this, I do not believe there is significant enough cause for us to overturn the default due to banking error'.

I looked closely at the file and it's clear Miss D had failed to notify Santander of her new address and despite email alerts only contacted Santander in December 2022 despite not making the required payments for some time. So, considering this, the fact that Santander made Miss D aware of the account status if the balance wasn't repaid and a lack of evidence that Santander made an error, I don't think Santander's above comments are either unfair or unreasonable.

I appreciate Miss D will be disappointed but having considered the above and all the information on file I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 9 March 2024.

Paul Douglas
Ombudsman