

The complaint

Mr S, a sole trader complains that Santander UK Plc allowed his business bank account to incur charges without telling him and failed to close his account in line with his instructions.

Mr S wants Santander to write the charges off and close the account.

What happened

Mr S held a business bank account with Santander. Mr S complained to Santander after it applied charges to the account when he thought it had been closed.

Mr S said that the text message Santander sent to him in July 2023 was the first he had received since September 2019. Mr S pointed out that for an account to remain open – there must be debits and credits. However, the only transactions on Mr S's account were debits for a forgotten recurring purchase and overdraft fees.

Santander does not have any record of a closure request. Santander says that although three payments were made in early 2020 to bring the account to a nil balance, it could not have closed the account over the phone as there were pending charges for Mr S's arranged overdraft facility.

Our investigator originally upheld Mr S's complaint after Santander confirmed it had not had any contact with Mr S between April 2020 and April 2023. So, Mr S was not aware that Santander continued to apply charges to the account.

After Santander supplied copies of account statements and notices of charges that it had sent to Mr S between 2020 and 2023, our investigator changed her view. She said she could no longer find that Santander didn't make Mr S aware of the outstanding debt or that it had made a mistake.

Mr S is unhappy with the investigation outcome. He says the main issue remains that Santander didn't contact him for four years despite having his mobile number and email address.

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.

I appreciate that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern our service allow me to do so but this does not mean I have not considered everything that both parties have given to us.

I can understand Mr S's concern when he received a text message from Santander telling him that his business account had exceeded his arranged overdraft limit. However, the evidence supplied by Santander shows that it continued to send regular statements to Mr S using the address it held for his business account. So, I don't agree that Santander did not contact Mr S for four years.

Although Mr S says he told Santander to close his business account, it does not have any record of this. Mr S points to another letter he sent in 2023 which Santander says it didn't receive, but this doesn't persuade me that it's likely Santander misplaced earlier correspondence from Mr S. Particularly as Mr S has not been clear about how he thinks he told Santander to close the account and has not supplied any copy correspondence. This all means I am not persuaded that Santander was made aware that Mr S wanted to close the account sooner than 2023.

Santander can treat banking accounts as dormant where a customer has not made any transactions within a year. But in Mr S's case although he did not make further credits to the account after April 2020, a single card transaction continued to debit each year until 2023. As this meant that at least one transaction had taken place each year, I don't consider Santander acted unreasonably when it didn't treat Mr S's account as dormant and continued to apply charges.

I take on board Mr S's comments about the lack of text messages or emails from Santander. However, Mr S's bank account remained within his arranged overdraft limit until July 2023 which might explain why there weren't earlier alerts about the overdraft.

Overall, I don't consider Santander treated Mr S unfairly. I am not persuaded that Santander did anything wrong when it didn't close Mr S's business account and continued to apply charges in line with the terms of the account. Santander has shown that it sent Mr S regular statements to the address it had on file. It's unfortunate that Mr S may not have received some or all of these statements but I don't think this means they weren't sent.

I am sorry to disappoint Mr S but I don't require Santander to take any action in response to this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 March 2024.

Gemma Bowen
Ombudsman