

The complaint

Mr H is complaining about Santander UK Plc because he believes it incorrectly applied a number of late payment fees to his account.

What happened

Mr H has a credit card account with Santander. Since 2015, a number of late payment fees of £12 each have been applied to the account. Mr H has been through his account history and identified 14 charges that he thinks were unjustified.

Our investigator didn't recommend the complaint be upheld. She felt the charges were applied in line with the account terms in months where Mr H didn't pay at least the minimum required payment before the due date.

Mr H didn't accept the investigator's assessment. He feels Santander have taken advantage of him and should have made greater efforts to let him know what was happening so the situation didn't continue. He also referred to issues he had with its webchat facility when he initially contacted Santander about this issue.

The complaint has now been referred to me for 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, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised. I've concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In line with the rules under which we operate, we can't consider complaints about events that occurred more than six years before a consumer makes their complaint. This time limit can only be extended if we're satisfied the consumer didn't realise there was an issue at the time and did complain within three years of the date they should have realised. For reasons I'll explain later in this decision, I think Mr H should have been aware late payment fees were being charged to his account. Technically, that means my consideration of his complaint is limited only to those fees applied since 2018. But the reasons for my decision apply equally to all 14 charges Mr H has identified.

Under the terms of the account, customers are required to pay a minimum amount each month. This is a variable amount that equates to a small percentage of the balance. Towards the end of each month, Santander issues customers with a monthly statement and it's provided a sample of those sent to Mr H. Amongst other things, the statements set out the

account balance, the minimum payment required and the due date, which is the date by which that minimum payment must be paid. If no payment is made by the due date, or if a payment is made but it's less than the minimum amount, a late payment fee is applied.

After reviewing the evidence provided, including his own summary, I'm satisfied that in each of the 14 of the months Mr H has referred to, he didn't make the full minimum payment before the due date and that Santander was entitled to apply a fee. In each month the due date fell between 21st and 24th of the month, as confirmed in the previous month's statement. And in each of those months Mr H made payment after that date, usually between 28th and 31st. In some of those months he made a part payment before the due date and more later in the month after the due date had passed, but the amount paid before the due date was less than the minimum payment on each occasion.

It appears Mr H wasn't fully aware of the extent of the late payment fees applied to his account until recently. But I think he should reasonably have been aware and I'm satisfied Santander made appropriate efforts to bring the situation to his attention. In addition to monthly statements that recorded all fees applied, it also says it sent a separate letter to Mr H on each occasion to tell him about the fee and it's provided a sample of these letters to evidence this.

Taking everything into account, I think the evidence shows the fees Mr H is disputing were applied correctly and I don't believe Santander acted unfairly on those occasions. I note Mr H says it refunded one of the fees as a gesture of goodwill and I don't think it needs to do anything further.

I've noted Mr H's comments about the problems he had dealing with Santander's webchat facility that he says took up time. Clearly that's unfortunate, but we don't normally award compensation for a consumer's time in making a complaint. While these issues no doubt caused some inconvenience, I don't think further compensation is warranted. Santander said it would provide feedback and I think that's a reasonable response in the circumstances.

It's for these reasons that I'm not upholding this complaint. I realise this outcome will be disappointing for Mr H, but I'm satisfied it's fair and reasonable in the circumstances.

Finally, I can see Mr H has said he may wish to pursue this matter in court, which he is of course free to do. But he should be aware that my decision is binding on him and Santander if he accepts it, meaning no further action would be possible. That means he shouldn't accept this decision if he does intend to pursue things further outside of this service.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 October 2024.

James Biles
Ombudsman