

## **The complaint**

Mr C complains that Santander UK Plc reduced his overdraft without informing him, closed his account and passed the debt to collections.

## **What happened**

Mr C holds an account with Santander.

In February 2024 he received a text from Santander advising him that he had exceeded his authorised overdraft limit. Mr C contacted Santander and was advised that his overdraft facility had been cancelled and that he was required to settle the balance immediately. Mr C says that his account was frozen, which meant that he couldn't use his card and couldn't access funds (including a universal credit payment) to pay for food and living expenses.

Mr C tried unsuccessfully to agree a payment arrangement with Santander but received a letter in April 2024 advising him that the account was being closed and passed to collections.

Mr C complained to Santander.

Santander didn't uphold the complaint. It said a letter had been sent to Mr C on 19 December 2023 advising him that his overdraft facility was being reduced to £100 from 1 February 2024. It said the terms and conditions of the account allowed it to change or withdraw an overdraft facility at any time. Santander said it understood Mr C's comments regarding his benefit payment but said any release of funds needed to be authorised by a manager and as part of that process it needed a completed budget planner.

Mr C remained unhappy and brought his complaint to this service.

Our investigator partially upheld the complaint. She said she was satisfied that Santander had sent a letter to Mr C about the changes to his overdraft and that they had offered appropriate support. But she also said she thought Santander could've done better when Mr C called them on 1 February 2024 as he was passed around departments and spent around 4 hours on calls and around 3 hours on hold. The investigator said that Santander should pay compensation of £50 for the poor customer service.

Mr C didn't agree. He said he'd never received the letter regarding the reduction to his overdraft. He also said he'd been assured by one of the agents he'd spoken to that he would be given access to his universal credit payment provided that he confirmed the amount, which he had done. Mr C said he didn't think it was acceptable to have been denied access to funds for food and living expenses.

## **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 know it will disappoint Mr C, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on every specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

#### Overdraft reduction

I've thought about whether Santander did enough to make Mr C aware that his overdraft was being reduced.

I can see that Santander sent a letter to Mr C dated 19 December 2023 advising him that his overdraft would be reduced to £100 with effect from 1 February 2024.

Mr C has told this service that he didn't receive the letter. He's questioned whether Santander can prove that it was sent.

I've reviewed Santander's system notes and I'm satisfied that the letter was sent. I've checked the address, and the letter was addressed to Mr C at the address held on file by Santander, which is the same as the address given to this service by Mr C. On the balance of probability, I'm satisfied that the letter was sent.

Mr C has said that he didn't receive the letter. I'm unable to speculate as to why that might be. However, as I'm satisfied that the letter was sent, I can't fairly hold Santander responsible for any failings of the postal service.

I appreciate that Mr C feels that Santander should've done more to make him aware that his overdraft was being reduced. However, Santander isn't required to send a customer more than one notification.

The terms and conditions of the account allow Santander to reduce or withdraw an overdraft facility at any time. In this case, I'm satisfied that Santander gave Mr C reasonable notice of the changes, as it gave him over 30 days' notice.

I'm therefore unable to say that Santander made an error, or that it treated Mr C unfairly or unreasonably when it reduced his overdraft.

#### Customer service

I've listened to the calls which took place between Mr C and Santander. These are significant in both number and duration and therefore I won't comment on each specific call but will instead make general points about whether I think Santander treated Mr C fairly and reasonably.

Having listened to the calls, I'm satisfied that Santander offered Mr C appropriate options for paying the overdraft. I'm also satisfied that the options were explained clearly. The agent explained to Mr C that in order to set up a payment arrangement, it was necessary for him to complete a budget planner. I appreciate that Mr C didn't think he should have to do this as he was certain that his income and expenditure would result in a deficit. However, I don't think it was unreasonable for Santander to request a budget planner, because as a responsible lender it needed to take steps to make sure that any arrangement is affordable for the customer.

Mr C raised the issue of his government support payment in the calls and said he needed this to buy food and pay essential bills. Mr C was advised that a manager would need to authorise the release of the payment once it had been received into the account and that for

this to happen, Mr C would need to complete a budget planner. Mr C wasn't willing to do this.

I understand that Mr C found it frustrating to be asked to complete a budget planner when he knew that this would show a deficit. However, I also have to look at this from Santander's perspective. As I've said above, Santander needed to make sure that any arrangement was affordable for Mr C. But it also needed a budget planner as part of its process for releasing funds.

This service can't require a business to change its processes. Ultimately it was Mr C's decision not to complete a budget planner, and he was made aware on more than one occasion that he wouldn't be able to agree an arrangement or access his government support payment without completing a budget planner.

Having listened to the calls, I'm satisfied that Santander treated Mr C fairly and in line with the relevant CONC rules.

However, I agree with the investigator that Santander could've provided better customer service to Mr C. He was passed from one department to another and placed on hold for extended periods of time. This must've been extremely frustrating for Mr C, especially at a time when he was already worried about being able to access funds. In the circumstances I think it's fair to ask Santander to pay compensation for the poor customer service.

### **Putting things right**

To put things right, Santander UK Plc must pay compensation of £50 to Mr C.

### **My final decision**

My final decision is that I partially uphold the complaint. Santander UK Plc must pay compensation of £50 to Mr C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 October 2024.

Emma Davy  
**Ombudsman**