

The complaint

Mr T complains that Santander UK Plc failed to close his credit card account and unfairly continued to apply monthly fees.

What happened

Mr T held a credit card with Santander and says that he closed the account with a nil balance in June 2023. Mr T was then surprised to find that Santander had kept the account open and continued to apply charges, including a late payment fee.

After Mr T complained to Santander, it said it had no record of a request to close the account so continued to apply the monthly £3 fee. As a gesture of goodwill, Santander refunded the late payment fee together with a £3 charge. It told Mr T that he had an outstanding balance of around £6 to pay. Mr T pointed out to us, that Santander sent its final response to him on 14 August 2024 but the balance was due to be paid by 12 August 2024.

Santander said that as it had not made a mistake, it was not going to amend Mr T's credit file. Santander confirmed that it closed Mr T's credit card account on 19 August 2024.

Our investigator didn't uphold Mr T's complaint. She could see that he paid £5,500 on his credit card account in early June 2023 but this left an outstanding balance of just over £73. In early July 2023, Santander thanked Mr T for setting up a direct debit and took payment of the outstanding balance towards the end of July 2023.

A cash back payment at the end of June 2023, had left Mr T's account in credit by £26. As his account was not closed, Santander continued to apply monthly charges in line with the terms of Mr T's account. Our investigator was satisfied that Mr T logged into his online banking account in June, July, and August 2023, so should have seen that his credit card account still appeared on his profile.

Santander provided us with copy account statements which were available to view online. Our investigator was satisfied that Santander sent Mr T monthly email notifications about the statements to the same email address he gave to our service.

Our investigator noted Mr T's frustration with Santander's service when he tried to complain. She explained that we are not the regulator, so we can't tell businesses how to communicate with their customers. Our investigator also said that complaint handling is not a regulated activity. However, she thought that Santander still responded to the complaint within the eight weeks it had to issue its response.

Mr T is unhappy with the investigation outcome. He thinks the Financial Ombudsman Service has sided with Santander.

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 take this approach, but it does not mean I have not considered everything the parties have given to us.

I am sorry to disappoint Mr T but I agree with our investigator that Santander does not need to take further action in response to his complaint.

Santander applies a £3 monthly fee to the type of credit card account which Mr T held. As I don't have enough evidence to conclude that Mr T instructed Santander to close his account in June 2023, I don't consider it was unreasonable to continue to apply the monthly fee.

Because Mr T's account had been in credit for several months, Santander was able to deduct the fee in full each month from the credit balance. However, in March 2024, after applying the remaining credit balance to the monthly fee, Mr T still owed 26p.

I am satisfied that Santander continued to send Mr T email notifications which would have prompted him to review his monthly statements detailing the charges. Santander has supplied details of the dates it sent the emails using the same email address Mr T has given to this service. Mr T may not have opened the emails, but I can't fairly find that Santander did not send them. As I am persuaded that Santander gave Mr T the chance to view his statements online, it would have been for him to contact Santander when he noticed that his account was still open and in credit.

As our investigator has already said, there is evidence of Mr T logging into his Santander account in June, July, and August 2023. This means he should have been able to see that his credit card account was still live. Santander has also supplied a copy of the letter it sent to Mr T when it set up a direct debit in July 2023 – again an indication that his account had not been closed.

Santander says that it sent Mr T text alerts in April, May and June 2024 giving him details of what he needed to pay. It also continued to make statements available to Mr T which showed that payments had been missed. As Mr T didn't bring his account up to date, I don't think it was unreasonable for Santander to report the missed payments to the credit reference agencies. So, I don't require it to amend Mr T's credit file.

I appreciate that Mr T found Santander's complaint process unhelpful but as our investigator explained, complaint handling in itself is not a regulated activity about which we can generally consider complaints. That being said, I note that Santander refunded a late payment fee together with one of the monthly fees when it didn't have to. I think this gesture of goodwill is enough to put right any issues Mr T may have encountered when complaining.

Overall, I don't consider that Santander treated Mr T unfairly when it left his credit card account open and continued to charge the monthly fee as it had no record of a request to close the account. So, I don't require it to refund any further fees or amend Mr T's credit file.

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 T to accept or reject my decision before 5 December 2024.

Gemma Bowen

Ombudsman