

## **The complaint**

Mr L complains that Santander UK Plc reduced the limit on his overdraft account.

## **What happened**

Mr L has a current account with Santander which had an overdraft facility of £5,000. On 18 December 2024, Santander wrote to Mr L to say that it was reducing his overdraft limit to £150 which would take effect on 1 February 2025. It explained some of the reasons why it might have taken the decision it did.

Mr L was unhappy with this. He said that he hadn't ever missed a payment or defaulted on any of his agreements. He said that he didn't have any issues with his employment and so he felt Santander's decision to reduce his limit was unfair.

Santander responded to Mr L's complaint and said that it hadn't made a mistake when taking the decision to reduce his overdraft limit. It explained that it had done this in line with the terms and conditions of his account and had also used information provided to it by the credit reference agencies.

The Investigator considered what both parties had said but they didn't think Mr L's complaint should be upheld. They explained that Santander had acted in line with the terms and conditions of the account when reducing the overdraft facility. And that the decision had been taken due to the high level of debt Mr L had elsewhere. The Investigator didn't think Santander's reasons for reducing the limit were unreasonable.

Mr L didn't agree with the Investigator's view. And so the complaint has been passed to me to decide on the matter.

## **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 considered all of the evidence available, I've decided not to uphold Mr L's complaint – for much of the same reasons as set out by the Investigator. I appreciate this decision will come as a disappointment to Mr L, however I will explain my reasons for this below.

I have firstly considered the terms and conditions of Mr L's account. I understand the Investigator has already provided Mr L with the relevant part, so I don't intend to do that here. But ultimately, the terms and conditions allow Santander to make changes to the overdraft limit while providing 30 days' notice. I can see that Mr L was provided with more than 30 days' notice on this occasion, so I can't fairly conclude that it has acted outside of its terms and conditions.

Santander has a responsibility to ensure that it is only lending amounts that are affordable. Because of this, it will periodically review customers' accounts to ensure that the amount of credit it is offering is suitable, and within what it deems to be an acceptable risk. Santander

found that Mr L had a high level of debt elsewhere, and because of this, took the decision to reduce his overdraft limit.

Given that Santander has obligations as a responsible lender, I don't think its decision here was unreasonable. It is also up to Santander to make a commercial decision in deciding what risk it is prepared to take when providing credit to a customer. This Service wouldn't generally interfere with a firm's commercial decision, as long as it appears to be fair. And given the information that Santander found on Mr L's credit file, I can't reasonably conclude that its decision to reduce the limit was unfair.

I understand that Mr L wanted a higher overdraft amount to help with the cost of living and to use for emergencies. But for the reasons I've explained here, I don't think Santander has acted unfairly or unreasonably in decreasing the overdraft limit. So I won't be asking it to reinstate this.

### **My final decision**

For the reasons set out above, I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 1 August 2025.

Sophie Wilkinson  
**Ombudsman**