

The complaint

On 1 August 2023, Mr W complained about Santander UK Plc's handling of his current account and overdraft, and says it failed to abide by equality law in its interactions with him. [here](#)

What happened

Mr W said the bank had approached him about a scheme to repay his overdraft in monthly instalments which he was happy to be involved in. He signed up and agreed to repay his £1,500 overdraft at a rate of £50 a month. It was agreed his overdraft limit would reduce by £50 on or after 5th of each month.

Mr W lives with neurodiversity and is classified as disabled under the Equality Act 2010. As a result of this and other health issues, he struggles with managing his finances. In order for him to do so, he regularly transfers his income to a Santander savings account to prevent what he refers to as *"irresponsible spending"*.

As 5 August 2023 was a Saturday, Santander reduced Mr W's overdraft by £50 (to £1,450) a few days later - on 8 August 2023. But on 8 August 2023, Mr W's account became overdrawn by £1,499.31 – in excess of his new limit. He transferred money from his savings account the next day bringing the account back within the new, reduced limit.

As a result of the limit being exceeded, Santander removed Mr W from the repayment scheme. Ultimately the bank cancelled all his direct debits, closed his account and placed a default on his credit file.

Mr W complains that Santander has failed to offer him support with his overdraft over the years and treated him harshly by removing him from the overdraft reduction scheme. He says Santander failed to take his neurodiversity into account in its handling of his relationship with it as it failed to put in place any reasonable adjustments. It continues to write to him asking for repayment of £1,567.49. He has also told us he is unhappy that Santander didn't comply with a Subject Access Request (SAR) he submitted in September 2023.

Santander issued a final response letter. It said Mr W had had a Student account since 2015 which later became a Graduate account. It had *"provided [him] with financial assistance several times over the years whenever [he had] contacted [Santander] for help"*. It said Mr W had correctly been removed from the repayment scheme as he hadn't had *"sufficient funds in the account to honour the agreement"*. Santander didn't uphold the complaint.

Mr W was unhappy with Santander's response and asked us to investigate it. One of our investigators looked into the complaint. She acknowledged that the overdraft had been on student terms initially which meant it had been interest and fee free (with the exception of unarranged overdraft fees). But the student terms had come to an end in July 2020 and Mr W began to incur charges from October 2020. Our investigator said that Santander had an obligation to monitor Mr W's use of the overdraft periodically in line with regulations set by the Financial Conduct Authority (FCA).

Our investigator noted various reviews that had taken place, and felt Mr W's overdraft use was such that Santander ought to have stepped in to support him from the review that took place in December 2021. As it didn't, she recommended that it should refund charges and interest Mr W had paid since then.

Santander accepted our investigator's recommendation, but Mr W didn't. He said, *"the core issue is that [our investigator's view] undermines Equality, Diversity and Inclusion from both a legislative and contemporary cultural standpoint."* He said the fact that the bank *"would keep two-thirds...of any proposed remedy"* leaving him with £1,000 to pay was difficult to accept. As there was no agreement, the complaint has been passed to me for a decision.

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 didn't agree with our investigator's view of the complaint, so I issued a provisional decision saying:

"It is not clear to me how our investigator's view undermines equality, diversity and inclusion legislation and Mr W hasn't expanded on that. I take his comments to mean that he feels Santander has breached the Equality Act 2010. I can't make a finding on whether the bank has breached the law as that is a matter for the courts. Our role as an alternative to the courts, is to try to resolve complaints on a fair and reasonable basis taking into account the law, regulation and good industry practice. If Mr W doesn't accept my decision and wishes to have a resolution based purely on the legislation, he is free to take the matter to court."

From what each party has said in response to the investigator's view, the outstanding issue seems to be Mr W's dissatisfaction with the remedy suggested rather than any dispute about what happened. When he referred his complaint to us in the first instance, in response to the question "How would you like the business to put things right for you?", he said "I am not sure it is something that can be rectified". We have asked him since what he thinks a fair remedy might look like, but he hasn't shared that with us.

I agree with what our investigator has said about the management of Mr W's overdraft since his student terms came to an end. I think Santander ought to have intervened to support him when it reviewed his overdraft limit in December 2021. I think what our investigator proposed in that regard – a refund of charges and interest from that point onwards – is fair and reasonable as far as it goes, but I don't think it goes quite far enough to address what I believe to be the key issue here. Let me explain.

I think the key issue is that having enrolled Mr W in the overdraft reduction scheme, Santander removed him from it at the first opportunity. I think this would be unfair for any customer. But in Mr W's case, it did so without any consideration for his disability – despite having been aware of Mr W's neurodiversity for several years. Had it done so, I think it's likely that this complaint wouldn't have arisen.

Mr W's failure to keep to the arrangement was not as a result of a lack of funds or willingness to comply with the agreement, rather the money was held in another account with Santander due to the way he manages his finances.

Mr W has also complained that Santander didn't provide a SAR he requested. He's told us this was required to help him with his complaint to this service. But I can see he has been able to provide plenty of detailed information which is sufficient to set out the events that occurred and to enable me to reach a decision in his case. So while I acknowledge his

frustration, I don't think he's suffered a loss as a result of the SAR not being provided.

It's clear that his removal from the scheme and failure to provide the SAR has caused Mr W distress and inconvenience. Charges and interest began to accrue again after his removal from the scheme, and his overdraft limit was cancelled. This led to his direct debits also being cancelled and has led to Mr W receiving demands for payment of the whole overdraft.

I think he should be compensated for the distress and inconvenience caused to him. As I've said, Mr W hasn't given any indication of what he thinks may be a reasonable way to resolve his complaint, but he has indicated he feels it's unfair for Santander to refund some interest and charges while leaving him with £1,000 to pay.

As we know, Mr W has had an overdraft of £1,500 for several years and it was agreed initially as part of his student account. It was not until October 2020 that he began to pay charges and interest as a result of the overdraft (he had paid some over limit fees as a result of exceeding his limit – some of which were refunded previously- but he'd have paid those even if he hadn't had an overdraft because he'd spent more than was available to him). We would expect a consumer to repay money they've borrowed, but where a business has made a mistake, we wouldn't expect it to benefit through the interest and charges.

In this case, Mr W borrowed up to the value of the overdraft, so it's right that he repays that money. But our investigator felt Santander should have done more to support Mr W with the overdraft from December 2021. She recommended it should refund interest and charges since then. I think that's right and a reasonable way to resolve that part of the complaint.

So having thought carefully about what I think would be reasonable to resolve the rest of Mr W's complaint, I think Santander ought to pay him £200 for the distress and inconvenience it caused when it removed Mr W from the overdraft repayment scheme without making reasonable adjustments for his disability, and the consequences of that. This is in addition to the refund of charges and interest accrued since December 2021 as already recommended by our investigator and agreed by Santander.

So, for clarity, to resolve Mr W's complaint, Santander should:

- Pay Mr W £200 for the distress and inconvenience caused to him.*
- Re-work Mr W's current overdraft balance so that all interest, fees and charges applied to it from December 2021 onwards are removed;*

AND

- If an outstanding balance remains on the overdraft once these adjustments have been made, Santander should contact him to arrange a suitable repayment plan for this. If it considers it appropriate to record negative information on Mr W's credit file, it should backdate this to December 2021;*

OR

- If the effect of removing all interest, fees and charges results in there no longer being an outstanding balance, then any extra should be treated as overpayments and returned to Mr W, along with 8% simple interest on the overpayments from the date they were made (if they were) until the date of settlement. If no outstanding balance remains after all adjustments have been made, then Santander should remove any adverse information from Mr W's credit file. †*

† HM Revenue & Customs requires Santander to take off tax from this interest. It must give Mr W a certificate showing how much tax it's taken off if he asks for one."

Santander has accepted my provisional decision but Mr W hasn't responded. That being so, I see no reason to depart from my provisional decision.

My final decision

My final decision is that I uphold this complaint. Santander should put matters right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 September 2025.

Richard Hale
Ombudsman