

## **The complaint**

Mr C complains that he was given incorrect balance information meaning he went on to spend funds that weren't his, and the resolution offered by Santander UK Plc ("Santander") isn't fair.

## **What happened**

Mr C contacted Santander via an online chat on 19 March 2025. The transcripts show that the agent wrongly told him his credit card account was overpaid and had a surplus balance that Mr C could transfer back to his account. On this basis, £1330.93 was transferred back to his bank account.

The error was eventually noted when Mr C's credit card balance was considerably higher than he expected, and he began to query this, and raised a complaint about what had happened. Santander issued their final response letter (FRL) to his complaint on 8 July 2025, upholding his complaint. They apologised for the error by the agent in the online chat and said they would reverse all related "over limit" charges and pay Mr C £400 compensation. But they confirmed they wouldn't write the debt off, as Mr C had had the money, so it needed repaying.

Unhappy with this, Mr C brought his complaint to our service. An investigator here didn't uphold it, saying that the offer made by Santander was fair and they didn't need to do anything further. Mr C didn't agree with this. He has said that this outcome ignores the principle of induced reliance, the remedy is disproportionate to the acknowledged error, and it's fundamentally unfair that he must repay funds accessed on explicit bank advice. He then came back to us again and confirmed that he's had an ADHD diagnosis and is having mental health issues and these have resulted in him being off work sick for a prolonged period and make it difficult for him to process complex financial information, and this should be taken into account.

## **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. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

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 (if appropriate) what I consider was good industry practice at the time.

I empathise with Mr C and was sorry to hear about the problems he's been having recently. I asked Santander about these, and it seems he hasn't disclosed these issues to them, so I'd

encourage him to do so, so they can record the details to help them deal with him in a way which helps him to manage things. But as they haven't had this detail disclosed to them, I can't fairly say it means they should have done anything different here with regards to this complaint.

Looking at the events that occurred, I'm glad to see that Santander have acknowledged the error they made. I think an offer to write off over limit fees and compensate Mr C £400 recognises the impact of their error and is fair.

Mr C has had the money and it seems, spent it. It wouldn't therefore be fair for this money to just be written off, when he's had the benefit of it. This is the fundamental principle involved here. If a bank/financial organisation make an error, and credit somebody extra funds, it's not reasonable for the person to spend that money and not expect to have to pay it back.

Mr C has referenced a legal principle, that of "induced reliance", to argue his case. This is about him relying on the promise made by Santander, and Santander being bound by this promise. I think it's important here to make one clear differentiation; the error made by Santander was to let Mr C know he'd overpaid and could take the money back to his bank account. But they didn't tell him to spend the money.

This legal principle also recognises that damages are usually limited to compensating for the money lost by relying on the promise. In this case, this would be the over limit charges he incurred. It doesn't mean that what are called "expectation damages" should be awarded, which might be the full benefit of the promise, i.e. all the money.

I am satisfied that there is also a requirement for a consumer to take reasonable actions in circumstances like these. Mr C is responsible for managing his own card and bank accounts and can't rely on Santander to do this for him. So, I'd expect that on being told he had a credit balance that he wasn't aware of, he'd have held off on spending the funds to ensure everything was correct.

Prior to this error, I can see Mr C making purchases and making payments towards the card each month, but once the error was made, he continued to make purchases, but only one small payment was made, and the card balance increased to double his credit limit, which would be considerably above the limit even taking the error into account.

I'm satisfied that the remedy offered by Santander is fair in the circumstances. In effect, Mr C didn't realise he'd borrowed around £1300 due to the error by the online chat agent but then went on to spend that money that he had actually borrowed on his card. It wouldn't be fair to expect that balance to be written off, as Mr C has had the money, and the benefit of spending the money. But £400 compensation for this and no charges for being over the card limit is a fair offer for the error, and the situation which has ensued. For these reasons, I won't be asking Santander to do anything more.

### **My final decision**

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 February 2026.

Paul Cronin  
**Ombudsman**