

## **The complaint**

Miss S complains that she struggled to repay the personal current account overdraft she held with Santander UK Plc (Santander) and has been using it heavily for several years.

## **What happened**

Miss S held a personal current account with Santander for several years. Since 2018, the credit limit has been £2,000. Miss S closed the account at the end of 2024.

In 2025, Miss S complained she'd struggled to repay the overdraft facility, particularly from September 2021 when Santander started charging fees and interest. She said she thought Santander should have realised she was struggling and offered forbearance.

Santander didn't issue a final response to Miss S's complaint within the time limit set by the regulator, so she referred the complaint to our service.

One of our Investigators considered Miss S's complaint. He noticed that charges were applied to the account in 2020. Santander said it had charged these in error, as the account should have been fee-free at that time. It offered to refund those fees.

Our Investigator thought Santander's offer was a fair way to resolve things. He didn't think Santander had acted unfairly in allowing Miss S to retain the overdraft when it completed regular reviews, and he didn't think it needed to take any further steps to put things right.

Miss S didn't accept our Investigator's opinion, so the case comes to me to decide.

## **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've considered the relevant rules and guidance on responsible lending set by the FCA, laid out in the consumer credit handbook (CONC). In summary, these say that Santander had a duty to review the account regularly to ensure the overdraft continued to be affordable for Miss S.

If Santander identified that Miss S had a pattern of repeat use of her overdraft, it had a duty to contact her – and to continue to attempt to contact her if she didn't respond. If Santander also identified that Miss S showed signs of actual or potential financial difficulties, and Miss S didn't respond to its attempts to contact her, Santander also had a duty to take further steps after a reasonable period.

Santander has already offered to refund the fees and interest charged in 2020. I think that's fair in the circumstances, so I haven't considered the application of those fees further. Instead, I've focused on what happened from September 2021 onwards.

The transaction history for the account shows that Miss S was using the overdraft continuously, and relatively heavily, from late 2021 until mid-2022. There were also some returned transactions in this period. So, I think there were some indications that Miss S was experiencing actual or potential financial difficulties during this time.

From mid-2022 Miss S was receiving a monthly income which cleared the overdraft balance in full. She continued to use the overdraft facility each month, but also saw periods where the account was in credit. This pattern continued until she closed the account.

Miss S's transactions were a mix of essential and discretionary expenditure. So, I think Miss S could have used some of her discretionary funds to reduce her overdraft usage over time.

I also can't see Miss S showed any further signs of financial difficulties from mid-2022 onwards, such as further returned transactions or use of short term lending.

I think Santander should have contacted Miss S about her overdraft usage between late 2021 and mid-2022. Santander may have done this. But it hasn't told our service it did, and it hasn't supplied any evidence.

In any case, on balance, I don't have enough evidence to reasonably conclude that such contact would have prompted Miss S to reduce her overdraft usage. And I don't think the period that Miss S was using her overdraft heavily, and showing some other signs of financial stress, was long enough that Santander should have been prompted take any further steps such as reducing the overdraft limit over time.

So, I'm not going to ask Santander to do anything further to put things right.

### **Putting things right**

On balance, taking everything into account, I think Santander UK Plc's offer to refund the fees and interest charged in error in 2020 is a fair way to put things right.

### **My final decision**

My final decision is that I uphold this complaint. To resolve things, Santander UK Plc should refund the fees and interest applied to the personal current account overdraft facility in 2020.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 March 2026.

Frances Young  
**Ombudsman**