

The complaint

Miss J complains that Santander UK Plc has provided her with an unaffordable overdraft facility and has unfairly applied debit interest and charges to her account.

What happened

Miss J has held a bank account with Santander since 2005. The information in this case is limited due to the time that the events span; however, based on the available information Santander provided Miss J with an overdraft facility on the terms set out in the table below:

| Date | Event | Credit limit |
|-----------------|---------------------------------------|--------------|
| September 2017* | Original limit | £1,150 |
| June 2018 | 1 st credit limit increase | £1,500 |

**This is the earliest Santander's records show the overdraft limit being in place, however it may have been provided prior to September 2017*

Miss J complained to Santander in June 2025 about unaffordable lending. She said Santander shouldn't have given her these overdraft limits as her only source of income was state benefits, and that she's paid excessive interest and fees across the years which has led to financial hardship and impacted her ability to meet essential living costs.

Santander didn't provide Miss J with a final response to her complaint within the regulatory eight week timescale, so she referred her complaint to our service for review. When providing our service with its file Santander said it didn't consent to us looking into any events more than six years before Miss J made her complaint; as it considered Miss J had complained about these events outside of the regulatory timescales.

One of our investigators looked at the details of this complaint and considered it was reasonable to interpret it to be about the fairness of Miss J's relationship with Santander. As such he went on to review the details of the complaint on this basis. Having done so, overall he didn't feel Santander had created an unfairness in the relationship, and he didn't uphold the complaint.

Santander didn't respond to our investigator's view; Miss J responded and didn't agree. In summary, she maintained her position and said:

- The unaffordable overdraft facility caused ongoing financial hardship, with interest and charges creating a persistent cycle of debt.
- Santander's removal of the overdraft after her complaint supports her position that it was unaffordable.
- There are multiple personal circumstances which meant she didn't understand her right to complain, nor did she have the awareness of her cause for complaint until recently.
- Previous attempts to raise concerns weren't properly dealt with by Santander.
- Our investigator's view was incomplete and didn't reasonably deal with all aspects of her complaint.

Miss J also made reference to various rules and provisions about responsible lending and treating vulnerable customers fairly, which she considers Santander didn't follow at the time of these lending decisions and throughout the ongoing provision of the facility and lending relationship.

Miss J asked for an ombudsman's review, so the complaint has been passed 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.

The information in this case is well known to Miss J and Santander, so I don't intend to repeat it in detail here. I'd like to acknowledge the personal circumstances Miss J has made us aware of which she's said in part led to her not making her complaint earlier, and her financial circumstances across the years; I am sorry to hear of these events. I'd like to assure both parties I've carefully reviewed everything available to me even though I may not have commented on it, because I've focused my decision on what I consider to be the key points of this complaint. I don't mean to be discourteous to Miss J or Santander by taking this approach, but this simply reflects the informal nature of our service.

Initially I think it's helpful for me to set out that there are time limits for bringing a complaint to our service, and Santander has said Miss J's complaint about the original overdraft facility limit and credit limit increase was referred to us late. Our investigator set out within their view why they didn't think we could look at a complaint about the lending event that Santander made more than six years before the complaint was made.

But they also went on to explain why it was reasonable to interpret Miss J's complaint as being about an unfair relationship as described in section 140A (s.140) of the Consumer Credit Act 1974 (CCA); and why they therefore considered Miss J's complaint about an allegedly unfair lending relationship had been made to us in time.

I don't intend to go into the same level of detail our investigator already set out in my decision here, but for the avoidance of doubt I agree with our investigator that I have the power to look at Miss J's complaint on this basis. I say this because I'm satisfied Miss J's complaint is that Santander irresponsibly provided her with lending which was unaffordable for her, and that this potentially created an unfairness in the relationship.

I acknowledge Miss J's comments about her reasonable awareness, and the personal circumstances she's said in part meant she hadn't complained sooner. However, Santander would have provided Miss J with monthly statements setting out the interest and charges that were being applied to the account. And while Miss J has said her personal circumstances prevented her from complaining sooner, she's also said that she'd previously raised concerns with Santander but that it failed to act on these appropriately. As such, it appears Miss J was aware of problems and the loss she was incurring, and had contacted Santander to look to resolve them. So, I can't reasonably conclude that her circumstances wholly prevent her from making her complaint within the regulatory timescales for complaints.

However, the lending and ongoing provision of this overdraft may have made the relationship unfair, as Miss J may have paid more in interest and charges than she could afford. I acknowledge Santander doesn't agree we can look at any events more than six years before Miss J's complaint was made, but as I'm not upholding this complaint, I won't be commenting on this further.

In deciding what's fair and reasonable I'm required to take into account, amongst other matters, relevant law. As I consider Miss J's complaint is about the fairness of her relationship with Santander, relevant law in this case includes s.140A-C of the CCA.

S.140A says a court may make an order under s.140B if it determines that the relationship between the creditor (Santander) and the debtor (Miss J), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement.
- the way in which the creditor has exercised or enforced any of his rights under the agreement.
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. Miss J has said the overdraft facility was removed when she made her complaint to Santander. As such, while the credit relationship may now have ended, I'm satisfied I can consider this complaint.

S.140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given the details of Miss J's complaint, I need to consider whether Santander's decision to lend to her, or any other actions it may have taken, created an unfairness in the relationship between her and Santander; and if it did, whether Santander took reasonable steps to remove that unfairness.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've followed this approach when considering Miss J's complaint.

Having done so, I don't consider Santander made unfair lending decisions when providing Miss J with these credit limits, or in its ongoing provision of the facility. I say this because:

- The information in this case is limited, and I don't consider that unreasonable given the time that's passed since some of these events, and the data retention obligations on Santander. Our investigator asked Miss J to provide us with financial evidence around the time of the earlier events, however, she's been unable to provide us with any information. Again, I don't consider that surprising given the time that's since passed.
- But this does mean that when information is missing or incomplete, I've needed to base my findings on balance; that's to say what I consider was more likely than not to have happened, or what I consider is more likely than not reasonable in the individual circumstances.
- The earliest data either party has been able to provide us dates back to September 2017. Miss J's account balance is already in a well-established overdraft position; so, on balance I consider it's more likely than not that the £1,150 overdraft limit had been provided prior to September 2017. This means I have no evidence to review what proportionate checks would likely have shown Santander about Miss J's financial circumstances prior to it providing her with the £1,150 overdraft limit; so, it follows I can't reasonably conclude it was unfair to provide it.

Santander increased Miss J's overdraft limit in June 2018, so I've gone on to consider this lending event.

- In the months leading up to this increase I've seen Miss J's account was largely managed well. Miss J was receiving multiple benefit credits into the account, largely totalling around £2,000 each month.
- The overdraft balance didn't exceed the agreed limit, and there were no examples of returned payments.
- Miss J's balance regularly entered a credit position across the months leading up to this increase, suggesting she was using the facility as intended.
- Based on the account management, I've not seen anything to suggest Santander unfairly provided this limit increase.

Santander has said it reviewed the provision of the facility on an ongoing basis. Our service's general approach is that this ongoing monitoring should be conducted on at least an annual basis. As such, I've considered Santander's decisions to continue to provide the facility in each June, starting in 2019, up to the point of Miss J's complaint.

Having done so, I don't consider Santander acted unfairly by continuing to provide the facility on the same terms. I say this because:

- Miss J largely ran the account in an overdraft position between June 2018 to June 2019.
- There are some examples of the balance going above the limit, and some examples of payments being returned to prevent this situation.
- The overdraft balance does fluctuate, from the high hundreds to near the limit in most months, largely due to the frequency of the benefit payments Miss J receives.
- While there are some examples that I consider suggest signs of potential financial difficulties, this isn't to the extent that I consider it would have been reasonable for Santander to remove the facility; however, I think it should have engaged with Miss J at the review in June 2019 to make her aware of her management of the facility and to look to better understand her financial situation.
- However, by the review in June 2020 Miss J's management of the facility has changed.
- By early 2020 her average utilisation of the facility is in the mid hundreds; and from April 2020 the balance regularly fluctuates into a credit position. There are some periods where the overdraft balance creeps back up towards the limit, but it is brought back into a credit position.
- So, I consider the overdraft facility is largely being used as intended.
- From February 2021 to late 2025 when Santander provided its file Miss J's balance has run in a credit position. So, I don't consider the annual reviews between 2021 and 2025 would have led to Santander having any concerns with providing the overdraft facility on the same terms.

While I consider there were some signs of potential financial difficulties by the review in 2019 that Santander ought reasonably to have acted on, I don't consider its continued provision of the overdraft facility at this time was unreasonable. And given Miss J mitigated any further unfairness in the relationship by changing her management and use of the facility from 2020, including running her account in a credit balance position from February 2021 onwards, it follows that I'm not persuaded Santander acted unfairly in the ongoing provision of the facility.

As such, I'm satisfied Santander fairly provided the overdraft limits and ongoing provision of the facility on the same terms; and it follows that I consider the interest and charges incurred to the account across the lending relationship were reasonably applied.

I acknowledge Miss J's comments about the various rules and provisions Santander needed to follow, but based on my above findings I've not seen anything to suggest it acted outside of these provisions, or in an unfair or unreasonable manner by providing the overdraft limits and the ongoing provision of the facility. Ultimately, Miss J changed her behaviours and management of the overdraft facility, which mitigated any potential unfairness in her relationship with Santander.

I've gone on to consider if Santander has acted unfairly in any other way during this relationship.

Miss J has made reference to Santander removing the overdraft facility at the point she complained. I don't consider this wholly unreasonable. Miss J had made an unaffordable lending complaint, saying that the interest and charges incurred due to the use of the facility were causing her financial difficulties. As such, by removing the facility Santander has mitigated the risk of any potential future financial detriment or harm.

Miss J has also said she previously made Santander aware of concerns with the overdraft. While I don't doubt Miss J's testimony, neither she nor Santander has been able to provide any documentary evidence to support this. So, I can't reasonably conclude that Santander didn't act upon any previous concerns Miss J may have raised about the facility.

I haven't seen any other information up to the point of Miss J's complaint which leads me to conclude Santander acted unfairly in any other way. So, while I acknowledge my decision will likely be disappointing to Miss J; for the reasons set out above it follows that I'm not directing Santander to take any further action in resolution of this complaint.

My final decision

My final decision is that I don't uphold Miss J's complaint Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 10 April 2026.

Richard Turner
Ombudsman