

## **The complaint**

Mr G complained that Santander UK Plc provided him with an unaffordable overdraft which he later became reliant on.

## **What happened**

Santander gave Mr G an overdraft limit of £250 in August 2014. The limit was increased three times, reaching £2,000 in July 2018. For the purposes of this complaint, I'll only be considering the activity from July 2020 onwards, as this is when the overdraft started incurring interest and charges and the period Mr G is complaining about.

In July 2025, Mr G complained to Santander saying they didn't adequately review his overdraft usage and didn't provide appropriate support despite there being clear signs he was struggling financially. He felt that his sustained usage should have prompted Santander to realise the overdraft facility wasn't affordable. Santander responded to Mr G's complaint in October 2025, saying their review found no affordability concerns.

Mr G wasn't happy with Santander's response, so he referred his complaint to the Financial Ombudsman. An investigator here assessed his complaint but didn't uphold it, explaining that it hadn't been unreasonable for Santander to continue providing the overdraft over the years.

Mr G didn't agree with our investigator, reiterating that he wasn't using the overdraft as intended and it was clearly unaffordable.

Because an agreement couldn't be reached, 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.

Having done so, I'm not upholding Mr G's complaint. I know this is likely to be disappointing, so I'll explain the reasons for my decision.

The crux of Mr G's main complaint is that Santander didn't adequately review his overdraft usage and failed to provide the appropriate support. The relevant regulations set out that firms are expected to periodically monitor review overdraft usage, to identify signs of repeat use and signs of actual or potential financial difficulties. And the regulations set out what steps a firm must take if they identify repeat usage or financial difficulties. So, I've considered whether Santander carried out appropriate reviews, what they found, what they should have found, and what steps they needed to take.

Santander confirmed that overdrafts were initially reviewed annually and this changed to quarterly in 2021. So, Mr G's overdraft was reviewed in September 2020, September 2021 and then every three months after that. Santander explained that their reviews included

things like current account turnover, overall indebtedness, missed or late payments and default markers. Santander haven't provided details of exactly what they found or considered at each review so you've gone on to think about whether they should have identified that Mr G was in financial difficulties

It is clear that from July 2020 onwards, Mr G was repeatedly towards the upper limit of his overdraft.

I accept that prolonged and repeated overdraft use can sometimes be an indication of financial difficulty. However, this is not the same as saying that prolonged and repeated overdraft use by a customer will always mean that they are, as a matter of fact, in financial difficulty. So, it's important for me to look at Mr G's overall financial position to determine why he used his overdraft so much, and whether it ought to have been clear to Santander that he was experiencing financial difficulties.

Santander carried out credit checks at each renewal which didn't show any adverse information. Mr G was managing his existing accounts well with no missed payments, underpayments or arrears in the months leading up to the renewals.

I've considered Mr G's income and outgoings as well as any overdrawn balances and thought about whether it was possible for him to have stopped using his overdraft. From what I've seen, I'm persuaded Mr G had enough disposable income most months to afford his overdraft and repay it in a sustainable way. And there isn't enough to suggest there were sufficient signs of potential financial difficulties over prolonged periods of time. Rather, it appears to have been Mr G's non-essential spending that stopped him from repaying his overdraft.

I noted Mr G's regular use of payday loans between August 2022 and June 2023. I accept that this can sometimes be a sign that a consumer is struggling financially and therefore forced to rely on short-term lending. However, I'm not persuaded this was the case for Mr G. I say this because these loans were for small amounts which didn't appear to significantly increase over time. They also didn't appear to be used for specific bills or non-discretionary spending. I also saw no other signs of financial difficulty such as regular returned direct debits or missed/late payments.

Finally, I noted that Mr G was able to exit the overdraft on three occasions: in June 2023 after a £10,000 cheque was paid into the account, in December 2023 after a £5,000 loan credited the account, and in April 2024 after receiving a larger salary payment. These amounts allowed Mr G to repay his overdraft in full and remain in a credit position for some time. So even though these payments were one-offs, they appeared to improve his overall financial position during those periods.

It wasn't for Santander to tell Mr G how to spend his money. But they were expected to monitor his use and reach out if they noticed signs that he was a repeat user of the overdraft – and that's exactly what they did in January 2021, October 2021, November 2021, July 2022, July 2023, July 2024 and June 2025. This correspondence reminded Mr G overdrafts are intended for short-term use, specifically suggested he get in touch and made suggestions as to what steps might be helpful. This is what I would have expected Santander to do in the circumstances. I appreciate that Mr G doesn't think this went far enough but in the absence of anything to show Mr G engaged with this correspondence, I don't agree Santander treated him unfairly.

Overall and having carefully considered everything, I'm satisfied Santander treated Mr G fairly when renewing his overdraft facility.

Finally, I've also considered whether the relationship between Mr G and Santander might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Santander lent irresponsibly to Mr G or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

My final decision is that I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 February 2026.

Amelie Makris  
**Ombudsman**