

The complaint

Santander UK Plc ('Santander') provided Mr M with a £900 overdraft in April 2016.

Mr M says the overdraft was provided irresponsibly over the six-year period before he started his complaint.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website and I've taken this into account in deciding Mr M's case.

I've decided the overdraft facility wasn't provided fairly from April 2025 onwards because:

- I don't think the checks and monitoring Santander did from April 2024 were reasonable and proportionate given what it ought to have seen about Mr M's financial situation and how it was deteriorating. There were clear signs that he was experiencing financial difficulties as set out in the Consumer Credit Sourcebook.
- Mr M was 'stuck' in his overdraft and hadn't had a positive balance on his account since September 2024. He was receiving benefits income and gambling. As a result, he was breaching his overdraft limit and having payments returned. These and other factors ought to have been picked up by Santander when it carried out its annual review in or around April 2025.
- Given what I've seen, I think Santander ought to have taken steps to intervene and support Mr M with reducing his reliance on his overdraft. Simply writing to him – even when doing so on multiple occasions - wasn't enough given the available evidence of Mr M being in significant financial difficulty.
- I've seen Santander says it did enough to try and make contact with Mr M. I think there were ample indicators of actual or potential financial difficulties. Given that Mr M didn't respond to the bank's written communications for a sustained period of time, Santander ought to have taken reasonable steps to contact Mr M to discuss the situation and take action to reduce his overdraft reliance, but it didn't do so.
- All of this means I don't think Santander acted fairly in allowing Mr M to continue using his overdraft from April 2025.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Mr M in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

In this case, I think Santander should now settle Mr M's complaint as follows:

- Re-work Mr M's current overdraft balance so that any additional interest, fees and charges applied from April 2025 onwards are removed.

AND

- If an outstanding balance remains on the overdraft once these adjustments have been made Santander should contact Mr M to arrange a suitable repayment plan for this. If it considers it appropriate to record negative information on Mr M's credit file, it should backdate this to April 2025.

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 M, 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 M's credit file. †

† HM Revenue & Customs requires Santander to take off tax from this interest. Santander

My final decision

For the reasons I've given, my final decision is that I'm upholding this complaint from April 2025 and so Santander UK Plc must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 February 2026.

Michael Goldberg

Ombudsman