

complaint

Mrs B, through a third party company, M complains that Santander UK Plc applied unfair charges to her account when she was in financial difficulties.

background

Mrs B asked the bank to refund some account charges in June 2012. Another charge was refunded in 2014 due to problems with some payments.

In 2015, M asked the bank to refund all charges it had applied to Mrs B's account since 2010. M said Mrs B had fallen into financial hardship because of the charges and was currently in a debt management plan.

Our adjudicator recommended that Mrs B's complaint should be upheld. He considered Santander should've done more to help Mrs B avoid unarranged overdraft fees. He thought the bank should've suggested that Mrs B alter her statement date to after she was paid by her employer.

Our adjudicator recommended that Santander refund all unarranged overdraft fees paid since 25 June 2012 with interest, together with £100 compensation.

Santander didn't agree to this recommendation. It said Mrs B didn't mention any financial difficulties when she called the bank in June 2012. Santander said Mrs B incurred charges due to her spending habits. It also said that if Mrs B wanted to change the date of her statement, she could ring the bank.

my provisional findings

After considering the evidence, I issued a provisional decision to Mrs B and Santander. I provisionally decided not to uphold Mrs B's complaint for the following reasons.

Following the Supreme Court ruling in 2009, bank charges can't generally be challenged on the grounds they are unfair or too high. I could still consider whether Santander treated Mrs B sympathetically once it became aware or should've become aware of her financial difficulties.

I appreciated that Mrs B asked the bank to refund charges in 2012. But this was for a specific reason when Mrs B's salary was paid in to the wrong account. I listened to the call and Mrs B didn't mention any financial difficulties. She asked the bank whether it would increase her overdraft limit. When it said no, Mrs B didn't take this further. And I wasn't persuaded that Santander did anything wrong when it didn't explore Mrs B's financial situation during the call.

Santander reversed another £20 charge in September 2014. The customer contact notes said this was because of exceptional circumstances outside of Mrs B's control. I didn't find Santander did anything wrong when it continued to apply the charges in line with the terms of Mrs B's account.

Santander didn't have any other record of Mrs B asking it to refund charges until 2015. If Mrs B was struggling with her finances, I would've reasonably expected that she would contact the bank before 2015. I could see that Mrs B made regular use of her overdraft facility and

sometimes exceeded it. But her account was also regularly in credit. I didn't find that Santander ignored obvious signs of financial difficulties.

I appreciated that Mrs B is currently in a debt management plan. But I didn't find this meant Santander should refund the charges that it applied correctly to Mrs B's account.

Finally, if Mrs B would like Santander to change her statement date, it was happy to do this if she called. I didn't find that Santander should've offered to make this change sooner as it was for Mrs B to raise it with the bank if she'd thought it would help her manage her money better.

Subject to any further representations by Mrs B or Santander, my provisional decision was that the complaint shouldn't be upheld.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As Santander accepts my provisional findings and Mrs B hasn't responded, it follows that I won't uphold the complaint.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 22 February 2016.

Gemma Bowen
ombudsman