

complaint

Mr and Mrs L complain that Santander UK Plc did not inform them that their arranged overdraft had been removed.

background

Mrs L had a bank account with Santander, with an overdraft limit of £500. Santander removed this facility in May 2011, at the same time as the account became a joint account, with the addition of Mr L. In September 2012, on their return from holiday, Mr and Mrs L noticed unarranged overdraft charges on the account. They then discovered that the facility had been removed. Santander says it wrote to Mrs L 30 days in advance of the removal of the facility. As the letter was system generated, Santander says it cannot provide evidence of it being sent. Mr and Mrs L say they didn't receive the letter.

Our adjudicator recommended that this complaint should be upheld as Santander was unable to provide evidence of the notification of the overdraft removal being sent. His view was that compensation of £50 for Mr and Mrs L's distress and inconvenience would be fair. Santander accepted that because of the time taken to sort the matter it would offer this suggested compensation. Mr and Mrs L rejected this offer.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened in light of available evidence and the wider circumstances.

There is a dispute between Santander as to whether a letter removing an overdraft facility was sent. In its letter of 28 November 2012, Santander says that the overdraft limit on the account was reviewed using a scoring system and that the total score was insufficient to maintain the overdraft limit. As a result, the overdraft limit was withdrawn from 1 May 2011.

However, according to Santander's system, the overdraft was cancelled on 14 May 2011. This was the day the account became a joint account. The original account was opened on 29 May 2010, but there is no indication when it was to be reviewed.

I consider that it was more likely than not that the overdraft facility was withdrawn as a consequence of the account becoming a joint account. As a result, I consider it unlikely that notification would have gone out to Mrs L - it would have only been her account at that point in time - automatically 30 days before this happened. Therefore, I believe that this complaint should be upheld.

Although Mr and Mrs L would not have been aware in May 2011 that the overdraft had been withdrawn, I consider that they should have been aware of it - at the latest - by December 2011. At that time they would have received a statement showing that they were charged an unarranged overdraft fee. That would have put them on notice that the overdraft facility had been removed. Mr and Mrs L complain about charges on their account from May 2012.

But I consider that by then, they should have been aware that they did not have an overdraft facility on this account.

Like the adjudicator, I consider that Mr and Mrs L should be compensated for their distress and inconvenience caused by Santander's failure to notify them of the removal of the overdraft facility. I consider £50 to be appropriate.

my final decision

My final decision is that I uphold this complaint and in full and final settlement of it I order Santander UK Plc to pay Mr and Mrs L £50.

Gerard McManus
ombudsman