

complaint

Mr R complains that Santander UK plc irresponsibly allowed him to increase his overdraft limit when it should have been clear it was unaffordable.

background

Mr R says he was given a £4,000 overdraft by Santander in 2017 that was both irresponsible and unaffordable. He says he used the overdraft for gambling and that Santander should not have allowed the overdraft in those circumstances as basic checks would have revealed his addiction. Mr R would like Santander to remove the overdraft and stop all monthly charges.

Santander says the overdraft increase applications were made by Mr R and were approved. It says it considered how much money was being paid into Mr R's account and says it was unaware of Mr R's gambling problem as he hadn't told it about that. Santander says there was nothing to suggest Mr R was in financial difficulties in 2017 and that it's offered to help him with his present difficulties.

Mr R brought his complaint to us but our investigator didn't uphold it. She thought Santander hadn't been told about Mr R's gambling problems and that it couldn't be expected to scrutinise a customer's transactions or tell a customer what it spent money on. The investigator thought there were regular payments into the account and that Santander had offered to provide help to Mr R.

Mr R doesn't accept that view and has asked for an ombudsman's review.

my findings

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've come to the same overall view as the investigator for largely the same reasons. I realise Mr R will be disappointed by my decision.

I've looked at Mr R's account statements at the time he made the applications for an increase in his overdraft. And I'm satisfied that at that time Mr R's account was largely in credit with regular payments into it. I'm also satisfied that at that time there wasn't any adverse information recorded on his credit file. So I don't think Santander acted unfairly or irresponsibly by approving Mr R's applications. I also think that Mr R hadn't told Santander about his gambling problems and it would be unreasonable for Santander to look at each customer's individual transactions and make any form of conclusions about them. I also think Santander carried out appropriate checks at the time of the applications.

I can see that when Mr R's application for the last overdraft increase was approved he then spent most of the facility on gambling transactions. I appreciate Mr R's frustration in those circumstances. But I can't fairly hold Santander responsible for that and I don't think it could have known that is what Mr R intended to do with the overdraft facility.

I appreciate that Mr R says that some of the payments into his account at that time were the proceeds of gambling. But for the reasons I've explained I don't reasonably think Santander could have known that or ought to have scrutinised Mr R's account to that level.

Banks and building societies should treat cases of financial difficulties positively and sympathetically. I am satisfied that Santander has done so here by offering to speak to Mr R

about those difficulties and by discussing any potential ways to support him. I can't see that Mr R has taken Santander up on that offer but I hope he will do so.

Overall whilst I accept it was unusual for the overdraft increases to be allowed within a short period of time I'm satisfied that on the face of it there was nothing Santander would have been aware of to suggest Mr R had a gambling problem and would have used most of the facility for gambling. For those reasons I can't fairly order Santander to refund the overdraft charges as Mr R would like.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 November 2019.

David Singh
ombudsman