

complaint

Mr and Mrs K complain that Santander UK Plc has permitted payments which took their account into an unauthorised overdraft. As a result of this they have incurred charges since April 2016 amounting to £507 which they feel should be reimbursed.

background

Mr and Mrs K hold an account at Santander UK Plc (Santander).

In March 2016, Mr K or his wife used their card to make a number of payments, which took the account overdrawn.

Santander, in line with the terms of the account, applied charges for these transactions. These were of £10 per transaction, in addition to a daily fee of £6 for the period during which the account was in an unauthorised overdraft. The charges were deducted from the account during April 2016.

Mr K raised a concern regarding these charges and received a goodwill payment reimbursing the charges for April 2016. This amounted to more than £90.

In the subsequent months, Mr and Mrs K's account continued to be used in a way which exceeded the balance, and further charges were applied, in line with the account terms and 'Key Facts' documentation.

Mr K made a complaint to Santander in November 2016. He later spoke to Santander and the bank sent its final response letter to Mr K on 21 December 2016.

Mr K was not satisfied with the bank's response and contacted us.

One of our adjudicators has considered this matter and set out his view to Mr K that he felt the bank had acted reasonably. In summary, he felt that Mr and Mrs K would have been aware of the terms and conditions of the accounts, including the charges. As these had been applied correctly, there was no reason to ask the bank to refund the various charges.

Mr K did not accept this view and asked that an ombudsman review the complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have paid particular regard to the recording of the conversation on 21 December 2016 and the terms and conditions and 'Key Facts' documents which were applicable to Mr and Mrs K's account.

I note that the terms and conditions documentation makes clear that it is up to the bank to decide whether it will authorise a payment when there are insufficient funds in the account. The 'Key Facts' also make very clear the charges which will be applied to transactions which are made without cleared funds, and the fee for an unauthorised overdraft.

I consider that the published information was sufficiently clear to explain to customers how and when charges would be applied to bank accounts.

I am aware Mr K has said he (and his wife) had not seen all the various terms and conditions, including charges. That might be the case, but I am satisfied Mr K was explicitly aware of this charging structure since at least April 2016, when a goodwill payment was made to his account in respect of the charges.

Mr K has indicated that he feels that the bank should decline to make the payments rather than permit an account to go overdrawn. The staff member from the bank discussed this with Mr K during the telephone call on 21 December 2016 and explained that due to the way that some retailers take payments, these may be pre-authorised and deducted from the account balance at a later date.

It is the responsibility of the account holder(s) to ensure that the account has adequate funds before attempting to make a payment. But I recognise this can be more difficult if more than one card is being used at – perhaps largely – the same time.

I consider that the bank acted fairly in making its first goodwill payment. The bank also made reasonable efforts to support Mr K during the telephone call, by explaining that whilst Mr and Mrs K were not entitled to a further goodwill payment, another account holder may be. The bank also suggested other ways in which Mr K could prevent future charges.

I consider that this was fair and reasonable. As a result I do not uphold Mr and Mrs K's complaint and do not ask Santander UK Plc to take any further action.

my final decision

For the reasons set out above, I do not uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 19 July 2017.

Laura Garvin-Smith
ombudsman