

### **complaint**

Mr and Mrs F complain that Santander UK Plc applied unfair charges on their account. They are now facing financial difficulties and would like the bank to refund the charges with interest.

### **background**

In 2007 Mr and Mrs F's account became overdrawn and charges were applied. The account was closed with a nil balance in 2008. The adjudicator did not recommend that the complaint should be upheld. She explained that in November 2009 the Supreme Court ruled that charges cannot be challenged because they are unfair or too high. There was no exception for people facing financial difficulties. She did not find that the bank had made any error in applying the charges and, in those circumstances, did not recommend that they should be refunded. As the account had been closed in 2008, she suggested that Mr and Mrs F should contact their current provider if they are currently facing financial difficulties.

Mr and Mrs F did not agree. They said the charges were excessive and that a direct debit should not have been taken when there were insufficient funds in their account, particularly as they had previously cancelled it. They said that they did not understand why they were charged for exceeding their overdraft limit when they did not have one. The adjudicator explained that the overdraft limit was nil and that charges were applied when the account exceeded the nil limit. She found that it was not unreasonable for the bank to honour the direct debit and that they should refer a complaint to the beneficiary who requested the payment.

Mr and Mrs F did not agree. They likened the charges to those being applied by payday loan companies and said that the practice was shameful.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I find I come to the same conclusions as the adjudicator did, for much the same reasons.

I am sorry to hear that Mr and Mrs F are still facing financial difficulties, but I am not persuaded that it was unreasonable for the bank to pay the direct debit when it was asked to do so. The bank was entitled to apply charges to the account when it became overdrawn. It is not disputed that those charges were in line with the bank's terms and conditions at the time. The ruling by the Supreme Court in 2009 said that charges cannot be challenged for being unfair or too high. In those circumstances, I do not find that the bank has made any error in applying the charges and, accordingly, I cannot fairly require it to refund them.

Mr and Mrs F appear to be saying that they had cancelled the direct debit with the beneficiary who requested the payment. This is a separate issue, and so I do not make any finding on this matter, but, if they wish to take it any further, the adjudicator will assist them with the complaint process.

**my final decision**

My decision is that I do not uphold the complaint.

Linda Freestone  
**ombudsman**