

## **complaint**

Miss G complains that Santander UK Plc charged her for unarranged overdraft usage. She is unhappy that they didn't freeze the charges on the account sooner than they did. She wants a refund of her charges and her credit file amended.

## **background**

On 30 March 2018, Miss G made a payment from her account held with Santander. This payment took her £20.27 overdrawn.

On 26 April 2018, Miss G paid £21 into the account.

She was then charged £85 for unarranged overdraft usage and a £10 paid transaction fee on 15 May 2018.

On 13 June 2018, she was charged £60 for unarranged overdraft usage.

On 14 July 2018, she was charged £95 for unarranged overdraft usage.

On 14 August 2018, she was charged £95 for unarranged overdraft usage.

On 13 September 2018, she was charged £48 for unarranged overdraft usage.

It appears that Miss G contacted Santander at least twice to complain about these charges. Miss G says that she was told that the charges would still be applied.

Then, it seems that someone from Santander called Miss G and she complained again. At this point, she was told that the charges would be put on hold until the issue had been resolved. The charges, at this point, were nearly £400. Miss G's credit file was amended to record this.

Santander said that they wouldn't remove the charges. Miss G wasn't happy with this so she came to us.

Our adjudicator found that Santander hadn't done anything wrong. He said that the charges had been applied correctly and, under the terms and conditions of Miss G's account, she was obliged to pay them. He also thought that the credit file was accurate so he wouldn't ask Santander to amend it.

Miss G wasn't happy with this outcome so the complaint has now come to me.

## **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'm afraid that Miss G won't be happy with my decision. I don't think that Santander have done anything wrong. I will explain why.

I can fully understand Miss G's upset at having to pay around £400 in charges when she was only overdrawn by £20.27. This is especially as she put £21 into her account within a

month. It doesn't make sense that the charges amount to around 20 times the amount that she was overdrawn by. It doesn't seem fair. But, unfortunately, Santander are allowed to apply these charges. In a 2009 case, the Supreme Court found that banks do not have to refund any charges that are applied in line with the terms and conditions of the account. Also, the charges can't be challenged on the grounds of being too high. The financial ombudsman service is bound by this decision and I am unable to decide that the charges were too high.

I can only order Santander to repay Miss G's charges if the terms and conditions of the account weren't followed. I have looked into these and I thought that they hadn't been followed as the current terms state that unarranged overdraft usage fees are capped at £50 per month. On questioning Santander about this, I have been informed that the cap came in on 10 July 2018. Previously, the monthly charges were capped at £95. The charges are applied a month in arrears and Miss G has been refunded any overcharged fees. I have checked, and the refund was made.

So, it appears that Santander has acted within in terms and conditions in applying the charges.

Because the credit file accurately reflects what has happened, I can't ask Santander to change it.

I know that this isn't the decision that Miss G wanted and I am sorry for this. But I can't find that Santander has done anything wrong.

### **my final decision**

For the reasons given above, I won't be asking Santander UK Plc to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 22 March 2019.

Rita Parmar  
**ombudsman**