

complaint

Mr W has complained that after his available balance was correctly debited on his current account, several days later the available balance was then reversed. This allowed him to effectively spend money that had already been spent.

He thinks Santander UK Plc shouldn't have allowed this to happen, and that it should have contacted him to let him know he'd been left significantly overdrawn.

background

Mr W has a current account with Santander for which he has a debit card. All the following transactions are with the same company which I'll call T and were made using that card.

On 30 November 2017 Mr W paid £100,000, and the following day he paid a further £100,000. Both transactions were authorised and the funds were set aside for T to claim so the available balance showed as £200,000 less than there actually was in the account.

T claimed the second £100,000 transaction but didn't claim the first one. So Mr W's account balance had the second £100,000 come off it, and the first £100,000 was still just showing as decreasing his available balance. As T didn't claim the first payment the amount showed as available again after four days.

Mr W paid a further £50,000 on 6 December, £27,205 on 8 December and £223,500 on 11 December 2017. All these transactions were authorised and the funds set aside ready for T to claim.

Unfortunately in error T claimed an extra £200,000, and then also claimed the original £100,000 from 30 November. This left Mr W just over £270,000 overdrawn, without an agreed overdraft limit.

Mr W says he tried to use his card to pay for a work dinner and it was declined due to insufficient funds, and the same happened when he tried to use the card again just after Christmas. He went into a branch on 27 December to find out what had happened.

Mr W complained to Santander, and it rejected his complaint. Santander said once a debit card payment had been authorised the merchant had up to six months to claim the funds and Santander couldn't refuse to pay the money. It said it was Mr W's responsibility to ensure there were sufficient funds to meet all his payments.

Mr W complained to our service. Our adjudicator didn't uphold the complaint. Mr W was unhappy with the adjudicator's view so it's been passed to me to decide. Mr W has also complained about the service provided by the adjudicator and his manager, which is a separate matter to this decision about the merits of Mr W's complaint about Santander.

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 trust Mr W won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint.

I don't doubt that this is very important for Mr W but although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome. This service is impartial between, and independent from, consumers and businesses. What this means is that we don't represent either party, and I don't act under either's instructions or take directions on how a complaint will be looked at or what questions should be asked or answered.

I appreciate that Mr W would like a copy of his original application and the original account terms and conditions. Santander has said it no longer holds these as it's so long since Mr W opened the account, and in any event the terms and conditions have been superseded many times since then.

To reassure Mr W, there's nothing sinister in Santander no longer being able to provide that information and as has been explained the original terms and conditions are completely irrelevant to this situation. Banks amend account terms and conditions fairly regularly, and each time that's done the previous version is no longer relevant. If a customer isn't happy with any changes to the account terms and conditions then they have the right to close their account, but if they don't close their account they are deemed to have accepted the revised terms and conditions going forward.

The terms and conditions at the time of the transactions noted:

- *Without contacting us at all, you can also request an overdraft by trying to make a payment from your current account, where that payment would cause your current account to go overdrawn, or further overdrawn, without an Arranged Overdraft in place*
- *You will automatically be treated as requesting an Unarranged Overdraft if you do not have enough available money in your current account, or enough unused Arranged Overdraft with us and you try to make a payment from your current account using your debit card or by cheque*

It's not in dispute that Mr W made all the payments to T (apart from the £200,000 that I've noted was taken in error twice by T) and those payments took Mr W to being just over £99,000 overdrawn on 15 December. A payment in was received on 19 December which reduced the level of indebtedness, and then T claimed the duplicated £200,000 in error which it's noted was reversed a couple of days later.

I can't hold Santander responsible for delays in requesting payment by merchants from whom Mr W does business as Santander isn't the cause of the delay. I say this because when Mr W uses his debit card, the merchant will ask Santander to confirm that the funds are available to pay for the transaction. And after the payment has been authorised, Santander would be obliged to honour this payment. From then on Santander will wait until it receives the claim for payment from the merchant. Santander can't say when the funds will be debited from Mr W's account and appear on his statement. This is because it isn't able to control how quickly this all happens, as it's reliant on the merchant claiming the payment.

I've listed below the transactions on Mr W's account for the period in question. The dates noted are the dates T actually claimed the funds, rather than being the dates Mr W *spent* the money with T and the funds were authorised. This shows how the overdraft balance was run up, with the account initially going overdrawn on 15 December. I've rounded the figures to whole pounds for ease of reading.

date	transaction	amount	balance
07/12/2017	Card payment to T	-£40,000	£361,206
07/12/2017	Card payment to T	-£60,000	£301,206
08/12/2017	Card payment to T	-£50,000	£251,206
11/12/2017	Card payment to T	-£27,205	£224,001
13/12/2017	Payment out (to different company)	-£28	£223,973
13/12/2017	Card payment to T	-£23,500	£200,473
14/12/2017	Card payment to T	-£30,000	£170,473
14/12/2017	Card payment to T	-£70,000	£100,473
15/12/2017	Payment out (to different company)	-£77	£100,396
15/12/2017	Card payment to T	-£40,000	£60,396
15/12/2017	Card payment to T	-£45,000	£15,396
15/12/2017	Card payment to T	-£55,000	-£39,603
15/12/2017	Card payment to T	-£60,000	-£99,603
19/12/2017	Payment in (from different company)	£27,069	-£72,533
20/12/2017	Card payment to T	-£35,000	£107,533
20/12/2017	Card payment to T	-£40,000	-£147,533
20/12/2017	Card payment to T	-£60,000	-£207,533
20/12/2017	Card payment to T	-£65,000	-£272,533
22/12/2017	Payment reversal by T	£35,000	-£237,533
22/12/2017	Payment reversal by T	£40,000	-£197,533
22/12/2017	Payment reversal by T	£60,000	-£137,533
22/12/2017	Payment reversal by T	£65,000	-£72,533

Whilst it's unfortunate T didn't claim the £100,000 spent by Mr W with it on 30 November until 15 December this was a payment Mr W had requested Santander make and that had been authorised. So Santander simply couldn't refuse to make the payment therefore there was no option but for the account to go overdrawn.

I can understand how confusing this was for Mr W as he thought he had more money available to spend than he actually did, but that was not due to an error by Santander. Mr W has a standard current account with Santander which doesn't give him access to a designated personal banker, nor does it mean Santander needs to provide a bespoke service tailored specifically for him. It's Mr W's responsibility to keep track of his own spending and notice that £100,000 he'd spent hadn't left his account so he didn't spend it again. Santander also had no responsibility to make contact with Mr W sooner when he went overdrawn because, as far as Santander was concerned, these were all authorised transactions that Mr W would have been aware of.

It's unfortunate that T duplicated a claim for £200,000 and I can only suggest Mr W takes any concerns he has about that up with T directly, as well as any residual concerns about why it took T so long to claim the funds Mr T had spent with it on 30 November. I can't hold Santander liable for either of these as both were out of its control and were down to T.

I understand Mr W's feelings of frustration that he couldn't get an immediate answer in branch when he visited, but this was a complicated situation and related to transactions that, on the face of it, Mr W had requested and that had been authorised. It's unfortunate that

Santander couldn't give him a definitive explanation sooner, but I'm satisfied that's not enough to warrant a payment of compensation, especially as the underlying issue wasn't Santander's fault.

Santander doesn't provide a management service for this account and it is Mr W's responsibility to manage his account. I do understand that Mr W may find it causes him difficulties in managing his account when payments take longer than usual to debit it. However as I've explained above, this isn't caused by any error on the part of Santander.

my final decision

I don't uphold this complaint. My final decision concludes this service's consideration of the complaint, which means we'll not be engaging in any further consideration or discussion of the merits of it. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 March 2019.

Julia Chapman
ombudsman