

complaint

Miss W complains about Santander UK Plc's ("Santander") response and approach when she exceeded her overdraft limit.

background

Miss W came to us as she was unhappy with the response from Santander to her concerns about the way her account was managed. She asked them to remove or backdate the default of the account from 7 September 2015.

Santander issued two detailed responses to Miss W's concerns. In summary they were comfortable that they'd done everything they could to support Miss W. They said if she'd made them aware sooner than 30 August 2018 of her gambling addiction they could have liaised with their specialist team to manage the account. Santander said they didn't think they'd ignored her but if they weren't aware of her situation they couldn't offer the support they have available. So they didn't agree to remove or backdate the default as it was a factual reflection of how the account had been maintained.

Our investigator didn't think Santander had acted unreasonably when dealing with Miss W's case so he didn't ask them to do anything more. He thought the various agreements and several attempts – which were broken – demonstrated Santander was dedicated in trying to help Miss W and they hadn't treated her unfairly. And although he understood it was difficult to discuss and ask for help for any addiction, considering the information available to Santander, including what Miss W was telling them, he didn't feel they'd acted unreasonably.

Miss W didn't agree she repeated some of her earlier points and said:

- It wasn't acceptable for Santander to set up monthly reducing overdraft arrangements ("MRO") using an income and expenditure form that was in isolation to the actual account activity;
- The reasons she gave to Santander to explain her financial difficulties weren't fabricated or excuses, they were other contributing factors, but even so she thought the fact that she repeatedly broke arrangements should've been a red flag that something wasn't right and triggered a review of actual account activity;
- She didn't understand how she could possibly have passed the credit scoring check when she made the online application to increase her overdraft as she'd already defaulted on multiple credit agreements and was in a debt management plan ("DMP") from 2012;
- The breakdown of the MRO on multiple occasions should've been enough to refer her to Santander's specialist team;
- Santander's process should require a review of transactions that caused the overdraft to go over its limit and further questions to understand the circumstances lead to the issues with the account. If the account activity and answers didn't match up then she thought at this point a referral to a specialist team should be made
- She contrasted the approach of Santander with that taken by another bank over the same period that had reviewed her account and talked to her about the multiple gambling transactions although she'd never proactively told them about the gambling issues.

Miss W asked for an ombudsman to review her case.

my findings

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

In support of her position, Miss W has referred me to two other complaints this service has dealt with previously. But I'm sure she'll appreciate I have to deal with each case on its own merits. And looking at the cases quoted, given the different individual circumstances, I'm not convinced they're particularly relevant here.

The investigator has given a full summary of the background to this complaint in the letter giving his opinion on the merits of Miss W's complaint dated 20 August 2019, so I won't repeat that here. I'm afraid, there's not a great deal I can add to what the investigators already told Miss W. I think he's covered most points quite clearly and I agree with his analysis.

Everyone agrees Miss W only made Santander aware of her gambling problem when she complained to them in August 2018. Her concern is that Santander - unlike another bank she had an account with - didn't pick up on and tackle the gambling issue without her disclosure. Miss W thinks they should have using other sources of information such as the gambling transactions shown on her account, her failure to keep to the MRO's and not just looking at her declared income and expenditure in isolation.

I don't doubt what Miss W's told us about other banks actions in response to the same difficulties in her conduct of a current account with them. But I can't say that because another bank took a different approach the same difficulties the approach taken by Santander is wrong.

The information Santander have sent to this service satisfies me they responded to her reports of financial difficulties in a positive and sympathetic way – as they're required to. Like the investigator I think the steps Santander have taken in coming to various agreements to repay the overdraft show and suggesting a referral to a debt advice charity show they've tried to help Miss W and haven't done anything to disadvantage her or act unfairly. I'm also satisfied Santander have due regard to gambling problems and have training and internal accreditation processes for their staff. And given both Miss W's reluctance to openly disclose her gambling problem and the other contributing problems she disclosed I'm not persuaded a referral to Santander's specialist team would have resulted in any different outcome here.

From everything I've seen I can't say Santander's response to the online application to increase the overdraft wasn't dealt with in line with their obligations. Banks are to carry out reasonable and proportionate checks to see if an applicant can afford to repay the new borrowing. And I can see Miss W's application was granted based on her income, conduct and credit score all of which were satisfactory to increase it from £250 to £700.

So I can't say that the default has either been wrongly recorded or that it should be backdated as it's an accurate reflection of Miss W's dealings with her account. And it wouldn't be fair or reasonable to uphold this complaint as I don't think Santander have done anything wrong here.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 11 November 2019.

Annabel O'Sullivan
ombudsman