

complaint

Mr C complains that Santander UK plc began to apply charges to his account after not doing so for two years, and then provided poor service in responding to his complaint.

background

Mr C had had an account with Santander for some years that eventually became a graduate account. Between April 2011 and February 2013, Mr C did not incur any charges on that account when it was overdrawn. But then, and without explanation, the bank began to apply charges, and Mr C complained.

Santander has said that as a result of a system error, some £1,355 of charges that should have been applied to Mr C's account during the period in question, were not. However, once that error was rectified, the bank then applied charges in line with the account terms and conditions. It said that Mr C had benefitted financially during the period when the charges had not been applied, and it also paid him £85 compensation for the difficulties he had encountered in then pursuing his subsequent complaint about the sudden appearance of charges.

The adjudicator did not recommend that the complaint should be upheld. She said that Santander was entitled to charge Mr C unarranged overdraft fees as it had done, and that it would have done so in the past save for the system error.

She also did not consider that the bank had taken an unduly long time in replying to Mr C's complaint as he had claimed, and was satisfied that the bank had explained what had happened, and had provided Mr C with the appropriate documentation about the account charges. She also found Santander's payment of £85 compensation to be fair and reasonable.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr C held a graduate account with Santander that did not include an agreed overdraft facility. He should therefore have incurred charges on each occasion when his account was overdrawn. But because of a system error, for a period of almost two years, he did not. Mr C has therefore been fortunate in not being required to pay more than £1,300 of charges during that time.

Santander appears to have eventually identified and rectified its system error, and at this point it began to apply charges to Mr C's account when it became overdrawn. As these charges were in line with the account terms and conditions, I cannot reasonably conclude that the bank has acted incorrectly here.

When Mr C rang Santander to complain about the sudden appearance of charges, the bank's system notes indicate that the adviser correctly identified that there had been a system error, which had now been put right. But Mr C then seems to have called again on a number of occasions seeking confirmation in writing of information he had been given on the phone. Santander subsequently paid Mr C compensation of £85 in recognition of any poor

service he believed he had received whilst pursuing this matter. I am satisfied that this amount is fair and reasonable in the circumstances of this complaint.

Mr C also complains that Santander took too long to reply to his complaint. Having considered the detail of this, including the date of Mr C's complaint to the bank and the dates of its subsequent letters to him, I find that the bank responded to him in an acceptable timescale.

my final decision

My decision is that I do not uphold this complaint.

June Brown
ombudsman