

## **complaint**

Mr N complains that Santander UK Plc has not treated him fairly in that it is demanding repayment of the full outstanding balance of his unarranged overdraft, instead of the overlimit amount which he has offered. He says this is unreasonable as he cannot afford to repay the full amount.

## **background**

Mr N holds a current account with Santander. In February 2015, he applied to increase the overdraft limit on his account to £1900, which the bank approved. Mr N lost his job and as the overdraft was at its limit, when Santander applied fees to the account, it went over that limit, incurring further fees. After Mr N told Santander that he was "between jobs" and asked the bank to bear with him, it froze the account and then refunded two fees which had previously been charged.

Mr N did not make any payments to reduce the outstanding balance, and Santander sent him several letters requesting payment. Mr N had changed addresses, but acknowledges he did not tell Santander his new address. By the time he received the letters and contacted the bank, Santander had demanded payment of the full outstanding balance of £2,094 rather than the overlimit amount of £194. Mr N considers this to be unreasonable.

Our adjudicator did not recommend that this complaint should be upheld. He considered that Santander had acted in line with the account terms and conditions, which allow it to demand full repayment of an outstanding balance at any time, provided notice is given. He considered that Mr N had been given sufficient notice by the bank, and the delivery to an incorrect address wasn't Santander's fault.

Mr N does not agree, saying Santander may be permitted to demand full repayment but that it wasn't fair or reasonable for it to do so in the circumstances.

## **my findings**

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

Mr N has acknowledged that Santander was entitled to apply the fees it did, in line with the terms and conditions of the account, so I'm not going to dwell on that aspect of his complaint.

I do understand why he is unhappy that the bank is insisting on full repayment of the outstanding balance on his account, given it was initially prepared to accept repayment of the overlimit amount of £194. And I appreciate that he can't afford to repay that full balance, and that he is concerned this will have an impact on already strained financial situation and on his credit history.

But I'm limited in what I can say is unreasonable treatment by Santander. If a bank has acted in line with the account terms and conditions, then this Service will generally conclude it has acted reasonably. It's not my role to require banks to change their policies or terms and conditions; that's the job of the regulator.

Here, Santander sent several letters to Mr N requesting repayment of the overlimit amount. When it did not hear from him or receive any payments, it demanded repayment of the full amount. This is in line with the terms and conditions of the account, which allow Santander to demand full repayment of an overdraft, provided it gave the accountholder enough notice. One of the letters to Mr N does state that if he doesn't repay the overlimit amount, it will demand full repayment. So I consider he was given notice of the bank's intentions.

Mr N has said he didn't receive those letters in time to make the repayment because of an oversight on his part. I do sympathise with his situation, but I can't require Santander to set aside what it is able to do on that basis.

I would expect a lender to respond positively and sympathetically where a borrower reports financial difficulties. Here, Santander froze the account and refunded two overlimit fees. It has also referred Mr N to various agencies which can help him with his financial situation and has offered to consider an affordable repayment arrangement. I consider this to be appropriate in the circumstances.

I do understand that if it hadn't been for the oversight, that Mr N might have been able to avoid the demand for full repayment. But Santander is entitled to take the actions it has, and I can't require it to reverse or refrain from them now. Because of this, I'm not able to uphold this complaint.

### **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 Mr N to accept or reject my decision before 18 April 2017.

Catherine Wolthuizen  
**ombudsman**