



complaint

Miss V complains that Santander charged her too much interest on her current account.

background

Miss V has a current account with Santander. When she has been overdrawn it has charged her interest which she says is too much.

The adjudicator did not recommend that the complaint should be upheld. She concluded that Santander correctly applied interest and charges to Miss V's account in line with its terms and conditions.

Miss V disagrees with the adjudicator's opinion. She says that she has not agreed to pay the daily overdraft charge of £1 which she considers is extortionate and unfair. She also says that – when her account was in credit - Santander should have paid more interest. She adds that she is on means-tested benefits.

my findings

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

I consider that Miss V's main complaint is about the £1 daily overdraft charge. I am satisfied that Santander imposed the charge in line with the terms and conditions of Miss V's account.

The effect of the Supreme Court ruling in 2009 is that such charges cannot be challenged on the grounds that they are unfairly high. The Supreme Court considered all relevant legislation including the Consumer Credit Act. Its ruling applies to customers who – like Miss V – are in receipt of means-tested benefits.

I am unable to conclude that the bank acted incorrectly in levying the charges.

I am also satisfied that Santander paid credit interest in line with the terms and conditions of the account.

But I note that in July 2012, Santander refunded £28 in overdraft charges and it paid an extra £25 credit interest to Miss V.

I consider that the bank's response was within a range of reasonable responses, bearing in mind its regulatory obligation to treat consumers who are in financial difficulty positively and sympathetically.

Overall I conclude that Santander did not act unfairly or unreasonably.

my final decision

For the reasons I have explained, my final decision is that I do not uphold this complaint.

Christopher Gilbert
ombudsman