

complaint

Miss M's complaint against Santander UK Plc (Santander) concerns the fees it charges for her overdraft, and the manner in which it allows her to repay her balance.

background

Miss M has an account with Santander, in which she has an agreed overdraft. She's been trying for some time to reduce this overdraft, having experienced some financial difficulties and life changes.

She felt that the charges Santander was applying to her authorised borrowing was too high. And she also felt that its policy on only allowing her to pay back, and reduce, her overdraft in multiples of £50 was also unfair. She said she was trying to sort herself out financially, and that Santander wasn't helping with this.

She complained to Santander, and it explained that its overdraft charges were allowed per its terms and conditions, and that each one had been applied correctly. It was therefore Miss M's choice whether to use this facility.

In respect of the overdraft reduction, it said that this was something she could manage herself online, and that it allowed for £50 reductions so she could decide what was affordable.

Miss M still didn't think this was fair, and brought her complaint to our service.

Our Investigator looked at the evidence, and concluded that she didn't think Santander had made a mistake, or treated Miss M unfairly. She explained that we don't look at whether fees are too high, but rather if they've been applied legitimately and correctly. She also explained that we're not a regulator, so we can't tell Santander how to allow its customers to pay back their overdrafts. So she couldn't uphold the complaint.

Miss M still disagreed. She didn't feel Santander had treated her positively and sympathetically. She still believed the overdraft fees were too high, and that £50 to pay off incrementally was too much. She felt trapped into the account.

She asked for an ombudsman's review.

my findings

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

Having done so, I'm in agreement with our Investigator. I can't uphold this complaint.

I know this will be disappointing for Miss M. I can see she's been in financial difficulties, and she's to be commended for trying to find a sensible way out of them. But that doesn't mean that Santander's been wrong in how it's handled matters.

As Miss M is aware, we can't uphold complaints on the basis that charges are too high. We can only look to see if they're allowed to be applied, per the terms and conditions of the account, and then if they've been applied correctly.

I'm satisfied in Miss M's case that Santander hasn't made any mistakes in this respect.

On the matter of the overdraft, our Investigator was correct to say we can't tell banks how to operate these services. I can't therefore say that Santander's policy of allowing her to reduce her overdraft by £50 each time is unfair.

My role is to look at all the evidence, and decide on an outcome I think's fair to both parties. I know Miss M doesn't think Santander's treated her positively and sympathetically. That's what we expect from banks who have customer's in financial difficulties. I think it's listened to her, and explained to her what its position is. I can't say that the only positive and sympathetic response would be to reduce or waive all overdraft fees.

What I would expect is for any fees to be applied correctly, and that if a customer gets in touch to discuss financial difficulties, that there's an honest conversation and that a bank will take into account matters of affordability. I can't say Santander hasn't done this so far, and I'd expect it to continue to deal with Miss M, in the context of any ongoing financial difficulties, in a positive and sympathetic way.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 24 April 2020.

Ashley More
ombudsman