

complaint

Mrs L complains that Santander UK Plc unfairly applied fees on her overdrawn account which has resulted in her paying a four figure amount to use a three figure overdraft facility.

background

Our adjudicator didn't uphold Mrs L's complaint. After investigating Mrs L's account history, our adjudicator felt that the bank hadn't applied any charges incorrectly or unfairly. Santander had already refunded a substantial amount of charges as a gesture of goodwill. So the adjudicator didn't feel it was appropriate to recommend any further reimbursement. Mrs L disagrees, so the complaint has been referred to me.

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 understand that Mrs L feels strongly that Santander should refund charges that she considers are unfair and disproportionate. And she feels the bank's response to her situation has added to her financial difficulties.

I sympathise with her position. And I can see that bank charges have made it more difficult for her to budget effectively on a limited income.

We work to ensure customers do not suffer any financial loss as result of a bank's errors and we will award fair compensation payments if appropriate.

Our adjudicator has explained that it has been decided in court that it is generally not possible to challenge bank charges as being unfair or too high. And as far as I can see, it appears that charges have been applied to Mrs L's account in accordance with the bank's terms and conditions.

I've taken into account that Mrs L says she opened the account over five years ago with an overdraft facility and she only used the account for a while. And Santander refused her offer to pay £50 a month towards the outstanding balance on the overdraft.

But, as far as I can see, Santander hasn't made any errors in applying the charges to Mrs L's account.

The bank must still treat fairly any customer who has financial problems. But this does not mean that it must refund all bank charges. And whilst lenders must respond positively and sympathetically to a customer in financial difficulty, I think Santander has done so here. I say this because when Mrs L made the bank aware of her money problems I think the bank did take some practical steps to help her. It refunded a significant proportion of the charges applied – even though it was entitled to apply these charges to the account. Santander gave Mrs L information about debt organisations and some advice on how to avoid fees. And it advised Mrs L contact its Collections and Recoveries Department to discuss an affordable arrangement to repay the outstanding balance.

Although I appreciate that there's been some confusion about what's happened more recently, Santander has confirmed that fees and charges were suspended on Mrs L's account on 17 January 2015 pending our investigation into her complaint (any charges that have appeared since had already been incurred and they've been debited in arrears).

So, I agree with our adjudicator and, looked at overall, I don't feel I can fairly and reasonably direct Santander to take any further action.

my final decision

For these reasons, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs L to accept or reject my decision before 13 April 2015.

Susan Webb
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