

## **complaint**

Mr R complains that Santander UK Plc (trading as Cahoot) has unfairly applied interest and charges to his account, and wrongly pursued him for repayment.

## **background**

In 2004 and 2006 Mr R complained about charges on his Cahoot current account. The bank refunded charges as a gesture of goodwill in July 2006. Mr R then stopped using the account, but in February 2007 there was a payment from the account, for a magazine subscription. At this time the account was overdrawn and it remained so until the present complaint.

In September 2010 the bank passed the account to its collections and recoveries department and alerted Mr R to the overdraft, which had continued to attract interest averaging about £7 a year. Mr R said he complained to the bank at this time but he did not receive a final response letter. The bank continued to try to pursue the debt and Mr R referred his complaint to this service in May 2013, by which time the debt was about £200. He said he had not authorised the 2007 payment for the magazine subscription.

Our adjudicator did not recommend that the complaint should be upheld. Briefly, she said:

- After the refund of charges in July 2006, Mr R's account was still overdrawn by nearly £100. Mr R queried the interest in September 2007 and the bank wrote to him the same month explaining that the refund had not brought the balance to zero.
- Having inspected the transaction history on the account, the adjudicator was satisfied on balance that the magazine payment was authorised.
- The bank provided Mr R with monthly notifications of interest and fees, via email to the address it had on file. He now has a different email address, but we would normally expect a customer to update the bank when their contact details change.
- The bank wrote to him in June 2010 saying that the account was overdrawn but within its agreed limit. The letter also stated that no funds had been credited in the previous three months and it asked Mr R to pay funds into the account.
- The account was not passed to the collections team until 2010 because the overdraft was within Mr R's agreed limit.
- The adjudicator was satisfied that the debt was genuine, so she did not consider the bank's collections letters amounted to intimidation, threats or harassment.

Mr R disagreed with the adjudicator's conclusions and asked for the case to be reviewed by an ombudsman.

## **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 have looked at Mr R's account and I can see that he paid the magazine subscription in July 2005 and February 2006, so I am satisfied that there was a payment arrangement in place. I have seen no evidence that Mr R cancelled the subscription. I believe it is likely that when he stopped using the bank account in July 2006, he simply omitted to cancel the next payment, which fell due early in 2007.

I am satisfied that the interest applied by the bank to Mr R's account was in line with its terms and conditions. After the refund in July 2006 the bank applied no other charges to the account in the period that Mr R complains about.

No paper statements were sent, as it was an internet-based account, but I am satisfied that the bank sent Mr R regular emails about the interest and that his account could be viewed online. It appears that he did not receive the emails, but I do not think that was the bank's fault, because it was not informed of his change of email address.

I agree with the adjudicator that there is no evidence that the bank has subjected Mr R to harassment or undue pressure in pursuit of the debt.

I realise that Mr R will be disappointed by my decision. It was unfortunate that between 2007 and 2010 he lost track of the account and the growing overdraft, but I cannot reasonably order the bank to make a refund.

**my final decision**

My final decision is that I do not uphold this complaint.

Colin Brown  
**ombudsman**