

complaint

Mr N complains that Santander UK Plc ("the bank") unfairly applied charges to his account during a period when he was out of work.

background

In 2010 Mr N sustained a personal injury that left him out of work for four months. He says that he contacted the bank at that time to discuss his overdraft and agree a repayment plan, but that it declined to discuss this.

Charges were subsequently applied to Mr N's account.

Mr N complained to the bank and asked for a refund of charges from June 2011 to August 2014, totalling £760. He said that it had taken him four years to get himself out of the cycle of charges, and that the bank was in breach of the Lending Code for applying these.

The bank replied saying that it was satisfied that the charges were legitimately and correctly applied to his account, and it wouldn't refund them. It did pay him £30 compensation for the delay in responding to his complaint.

The complaint then came to this service, where our adjudicator considered all of the submissions and concluded that the bank hadn't done anything wrong. She explained that as the charges hadn't been applied in error, and that the charges themselves couldn't be challenged on the basis of being unfair or too high, that the bank wasn't obliged to refund Mr N.

Mr N didn't agree, and his complaint was referred to an ombudsman.

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 satisfied that our adjudicator reached the correct conclusion when she said that she couldn't uphold the complaint as the bank hadn't been wrong to apply the charges.

Unfortunately I haven't seen any evidence of Mr N's approach to the bank in 2010 to arrange a repayment plan. However, even without having agreed anything with the bank I agree with our adjudicator that Mr N could have saved his proposed monthly contribution so that ultimately he was able to repay his overdraft with a lump sum.

Added to this is the fact that a repayment plan would have affected Mr N's credit file, which is something he may not have wanted, and which he's managed to avoid.

I've seen that in December 2012 Mr N told the bank he was in financial difficulties. It replied that it could see that he'd found himself in a cycle of charges, and in an effort to break this cycle it refunded him £15, and cancelled a forthcoming charge of £15. In addition, it agreed to cancel any unauthorised overdraft charges until 24 January 2013.

When Mr N made this contact the bank had a responsibility to treat him positively and sympathetically, and I'm confident that it did so.

I haven't seen evidence of Mr N contacting the bank again from 2012 until he made this complaint in 2014.

On the matter of the fairness of the charges, Mr N has already been made aware of the outcome of the 2009 Supreme Court test case, which for him means that the bank isn't obliged to refund charges that can be shown to have been applied correctly (in accordance with the relevant terms and conditions), and that the fact he was in financial difficulties is no exception to that.

In conclusion, I'm satisfied that the bank applied the charges to Mr N's account correctly, and also that it took a positive and sympathetic approach when it became aware of his financial difficulties, and on this basis I can't ask it to refund those charges.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr N to accept or reject my decision before 27 March 2015.

Ashley L B More
ombudsman