

complaint

Ms M complains that Santander UK Plc applied excessive interest charges to her account.

background

After Ms M's account became overdrawn she tried to deal with the situation. But the debt increased to over £1,000 and she had difficulty repaying it.

When she complained to Santander it removed all the charges as a gesture of goodwill. It closed her account and removed any adverse information from her credit file.

The adjudicator didn't recommend the complaint should be upheld. He said that as the bank had written off the debt he didn't think it needed to do anything else.

Ms M didn't agree. She said she'd repaid the full amount and the bank hadn't refunded her the money. She thought the amount of bank charges were disproportionate to the amount of money she owed and that the bank was acting dishonestly.

my findings

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

Ms M sent us some documents that she said would prove she'd repaid the balance. I've considered them carefully but they show that the bank wrote off the balance. They don't show Ms M repaid the debt. I can see that she made a number of small payments in 2014 but at the end of the year Santander closed the account and wrote off the debt of over £1000. That meant Ms M didn't have to make any more payments. Santander has also amended her credit file so that it doesn't contain any adverse information about this.

Because of a court ruling in November 2009, bank charges can't be challenged because they are excessive. So I can't find Santander did anything wrong when it added the charges to her account. But as a gesture of goodwill, it has now written off the debt and removed any adverse information from Ms M's credit record. I know Ms M will be disappointed with my decision but I can't ask it to do any more.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 27 October 2016.

Linda Freestone
ombudsman