

complaint

Mr C complains that Santander UK Plc applied an interest rate of 18.9% when he used his overdraft. He says he thought his overdraft was interest free.

our initial conclusions

Our adjudicator didn't recommend the complaint was upheld. He said that he didn't conclude the bank made a mistake when it applied the 18.9% interest rate, and that the statements Mr C was sent each month set out the interest that was applied to his account. So he considered it acted fairly and reasonably when it refunded 50% of the interest that was applied as a gesture of goodwill. Mr C disagreed with this and asked for his case to be reviewed.

my final decision

I've considered everything Mr C and the bank have said and provided to decide what's fair and reasonable in this complaint. I've reached broadly the same conclusions as the adjudicator, and for much the same reasons. However, I will make the following observations.

Mr C says he wasn't informed of the 18.9% interest rate, and that if the bank can't prove he was informed, it follows that it wasn't fairly applied. But the rate was applied in accordance with the account terms and conditions. I find nothing to indicate that when Mr C upgraded his account to the account with the 18.9% interest rate he wasn't given relevant paperwork (setting out the relevant charges and fee) in line with the bank's usual process. It's not necessary for the bank to provide me with something Mr C signed to prove was informed of the interest rate. Like the adjudicator I find nothing to indicate that Mr C was told his overdraft was interest free, or that Mr C would've been eligible for an account with an interest free overdraft.

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C either to accept or reject my decision before 22 December 2014.

*Laura Forster
ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.