

## **complaint**

Mr S complains that Santander UK plc started charging for his arranged overdraft without telling him.

## **background**

Mr S opened a current account with Santander in 1997. He's always had an £800 overdraft, but says he didn't have to pay to use it when he first opened the account.

Santander changed the account terms and now charges Mr S when he uses the overdraft. Mr S says he didn't know about this, and thinks it's unfair that he's been charged. He wants Santander to refund what he's paid.

Our investigator didn't recommend the complaint should be upheld. He found that Santander had charged in line with the account terms, and that it didn't have to make a refund to Mr S.

Mr S disagreed with the investigator's conclusions so the complaint has been passed to me.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my conclusions on the balance of probabilities – that is, what I think is most likely to have happened in light of the available evidence and the wider surrounding circumstances.

Mr S says Santander didn't tell him about the changes to his account, so he thinks it's unfair for the bank to apply charges he hasn't agreed to.

Santander can't say for sure when changes to overdraft charges were first made to Mr S' account. But it's said that overdraft charges applied to the original account he opened in 1997.

An overdraft is money that's borrowed from the bank. So it would be unusual for a bank to allow customers to borrow without charge. It's possible that the bank originally charged interest on the overdraft amount, rather than the daily fee that it now charges.

Santander has provided a statement from October 2010 which shows that daily overdraft charges were being made at that time.

I note, however, that the statement in question shows Mr S' previous address – even though the bank's records show that he'd updated the details in July 2010. Santander has supplied statements from 2014 which also show Mr S' previous address.

I think it's likely that overdraft charges have always applied to Mr S' account, but that they've been updated over the years. The charges were probably updated some time before 2010, and I think Santander would've written to Mr S at his previous address (when he was still living there) to tell him. I can understand why Mr S might not remember this, given the amount of time that's passed.

I've seen copies of the information sheets about changes to the charges that were sent to customers in 2011 and 2014. As the bank was still writing to Mr S at his previous address, even though he'd moved by that time, I accept that he might not have received this information.

So I've thought about what Mr S might have done if he'd received the relevant details. Mr S doesn't want to pay for use of an arranged overdraft. So he might have wanted to open a more suitable account with a different bank.

But I think it's unlikely he would've found an account that didn't make some sort of charge for using an overdraft – either through an account fee, a daily overdraft fee or interest charged on the overdraft amount. As I've already said, an overdraft is money borrowed from a bank and it would be unusual for a charge not to be made.

This means that even if Mr S had known about the changes in 2011 or 2014, I think it's unlikely he would've found an account that allowed him to use an overdraft free of charge. He would've been in the same position, even if Santander had provided the relevant information, which means he hasn't suffered any loss.

On balance, I haven't seen enough evidence to persuade me that Santander has applied the overdraft charges in error. For that reason, it wouldn't be fair or reasonable for me to uphold Mr S' complaint.

### **my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 July 2018.

Caroline Stirling  
**ombudsman**