

## **complaint**

Mr K complains that Santander UK Plc has increased his overdraft charges. He wants Santander to go back to his original agreement and waive the charges that have accumulated.

## **background**

Mr K opened a current account with Alliance & Leicester Building Society in 2007. At that time, he had an overdraft of £1,000.00 with a monthly charge of £5.00. Alliance & Leicester merged with Abbey National Building Society, which became Santander.

Early in 2012, Santander reduced Mr K's overdraft limit to £800.00. It also increased the monthly charge. Mr K said Santander agreed the monthly charge would increase to £10.00. Santander later said the monthly charge would be capped at £20.00 provided the account was operated within the agreed overdraft limit. It also referred to fees payable if Mr K did not make the minimum funding requirement of each month of £750.00.

Mr K said he did not know about the minimum funding requirement. As he is now retired and has a limited income he could not meet the requirement. He felt he had been mis-sold the account. He said he was not given notice of – at least – some of the changes to the account charges and considered them to be too high. As a result of the charges, Mr K's debt has increased significantly to over £1,100.00.

Mr K complained to Santander but, initially, did not get a response. The bank later said that it had not updated Mr K's address details and apologised for this. Santander said it had notified him of the changes to the account terms and conditions. It also said Mr K should have been aware of the minimum funding requirement as it was in the original terms and conditions.

Mr K was not happy with Santander's response so referred the matter to this service.

In April 2013 he told us that he was willing to pay what he considered to be the true overdrawn balance of £601.53 and a payment of £120.00 (being 12 payments of £10.00) – a total of £721.53. Mr K said he may be able to borrow the balance of the money Santander said was owed, but he wanted to know what this service thought was reasonable before doing taking any action.

Our adjudicator did not recommend Mr K's complaint should be upheld. Santander provided copies of the terms and conditions of Mr K's account from the key times. Having studied these, our adjudicator considered that the original account information was clear and Santander had complied with its approach to notifying Mr K of the changes to his account.

Mr K maintained the original account had been mis-sold, that Santander's charges were too high and that the bank needed 'reining in'. He also said that he had tried to open another bank account but was unable to do so while he had a debt with Santander.

Our adjudicator explained that the role of this service is not to regulate financial businesses and reiterated that – while Mr K may have seen Santander's actions as unfair – the bank had complied with its procedures for making changes to the account.

Mr K was not happy with the adjudicator's opinion so the matter has been referred to an ombudsman for a final decision.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusion at the adjudicator.

I am aware Mr K has raised concerns about what he sees as Santander not acting in its customer's (his) best interests and that the bank has exploited the advantage it has over him as an account holder. I do not doubt how strongly he feels about this. As our adjudicator has explained, this service does not regulate financial businesses so I know that I cannot give Mr K the redress he seeks.

I have reviewed the terms and conditions from when Mr K opened the account in 2007. The requirement to pay a minimum amount into the account is clear. While I understand that Mr K may not have read all the terms and conditions, he was bound by them. So, Santander can reasonably require him to pay in £750 each month – or charge him accordingly. Santander was not obliged to offer Mr K a different type of account – the choice was his.

I have also reviewed the revised terms and conditions since that time. Santander has said that it told Mr K about the changes to the charges on his account. While I accept that Mr K may not have appreciated the significance of the information provided with his monthly statements in January and February 2012, Santander did give him the required notice of the changes. So it can apply the new (correct) charges.

Mr K has referred to him reaching an agreement with Santander that his monthly account charge should be £10.00. I have not seen anything other than Mr K's statement to this effect but I have no reason to doubt him. So, I can understand his frustration at what he sees as Santander 'moving the goalposts'. But, at the end of the day, he is responsible for repaying the money he owes on his overdraft.

I assume that Mr K still has the £721.53 he offered to pay in April 2013. It seems to me that now making this payment to Santander would reduce the overdraft considerably – thereby minimising future charges. I think Mr K should give serious consideration to making this payment. He may be able to pay a higher figure as he may have been allowing £10.00 for each month since then.

Decisions on what – if any – overdrafts a bank is prepared to offer its customers are commercial ones that this service cannot normally get involved in. I appreciate that Mr K may have seen the reduction in his overdraft from £1,000.00 to £800.00 as a way of Santander increasing its charges but banks review overdrafts on a regular basis –usually each year. They are entitled to change what overdraft they are prepared to allow any individual customer.

In summary, I do not believe that Santander has acted unfairly or unreasonably in changing the terms and conditions on the account. It has charged Mr K the fees permitted under the account's terms and conditions.

I know that this will come as a disappointment to Mr K but I do not believe Santander has acted incorrectly. I think he should give serious consideration to making the payment referred to above as this will reduce the debt – and future charges – significantly.

**my final decision**

For the reasons I have given, my final decision is that I do not uphold Mr K's complaint.

Andrew Davies  
**ombudsman**