

complaint

Ms C seeks a refund from Santander UK Plc ("the bank") of charges placed on her account, on the basis that they are excessive and she is in financial difficulties.

background

Ms C is seeking a refund of charges on her account from September 2013. She says that they have been excessive, and that after she was made redundant in March 2014 she found herself in financial difficulties and is now working only part-time.

The bank said that it applied the charges correctly in line with the terms and conditions of Ms C's account, and that legally (with references to the Supreme Court decision of 2009) it wasn't required to refund them. It explained that it had agreed in the past to assist Ms C by refunding and waiving charges, but that it wouldn't do so any further. It also conceded that in October 2014 it had agreed to refund £70, but that it failed to process this, and that it was willing to honour this refund now.

Ms C brought her complaint to this service, where our adjudicator considered all of the evidence and submissions and concluded that the bank hadn't treated Ms C unfairly, and that it was entitled to apply the charges complained of. As such, she couldn't uphold the complaint.

Ms C sought a referral to an ombudsman as she believes the charges are illegal and that the bank can't continue to apply them while she remains in hardship.

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'm satisfied that our adjudicator reached the correct conclusion when she told Ms C why she couldn't uphold her complaint.

In doing so she explained that the bank was not obliged to refund charges that it can show were correctly applied to a customer's account, and that this was the case even where a customer was in financial difficulty. She advised that in such circumstances the bank is obliged to treat a customer positively and sympathetically, but that to do so wasn't limited to only refunding charges. She then outlined what the bank had done, including the historic refunding of charges, to help Ms C with her financial difficulties.

I've looked at the status of Ms C's account over the relevant period, and noted that the bank's previous gestures of refunding charges returned her account to credit, thus breaking the cycle of recurring charges, but that the account soon became overdrawn again.

In light of this, I don't think it would be either fair or practical for the bank to continue refunding charges in this manner.

I also think it's necessary to make it clear in this decision that these charges are not illegal, as per the Supreme Court judgement, and that a bank can still apply them in hardship cases.

In summary, I'm satisfied that it's been shown that the bank has acted toward Ms C in a positive and sympathetic way on an ongoing basis. However, it is clear that its efforts to put

her account back into credit are not in themselves sustainable. Ms C has now received some advice as to how she might more permanently try to resolve her financial problems, and I think in the circumstances that is the most sensible way forward.

I see that the bank remains willing to refund the £70 it failed to process in October last year, and it wouldn't be fair for me to ask it to do anything more.

my final decision

My final decision is that I do not uphold the complaint. It is now for Ms C to consider whether to accept the bank's refund of £70.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms C to accept or reject my decision before 2 March 2015.

Ashley L B More
ombudsman