

## **complaint**

Miss M complains that she had an agreement in place with Santander UK Plc to repay her overdraft facility over 15 months. However, it has since defaulted her account and she complains she wasn't notified of this possibility.

## **background**

Miss M had an outstanding balance of over £500 with Santander for account ending xx68. In December 2017 she set up an arrangement to repay the balance over 15 months at £37 a month. Miss M called Santander in January 2018 as she had missed the January payment date due to other commitments. She made the payment and arranged for future payments to be made later in the month.

During February and March 2018 Miss M didn't make any further payments but made requests for breathing space for 30 days. Ultimately, these breathing spaces were agreed. At the beginning of April 2018 Miss M called again and asked for another 30 day breathing space. But this was declined.

Miss M made payments of £5 in April and May 2018. When she tried to make a payment in June she discovered she couldn't access her account online as it had been defaulted. She complained as she says she wasn't made aware of the consequences of not keeping up repayments or that it could default. Santander didn't uphold the complaint as it was satisfied this had been explained.

Not happy with that Miss M asked us to look into the matter. Our investigator didn't uphold the complaint as she was satisfied Santander had explained the consequences in its calls with her and provided extracts from letters Miss M had been sent setting this out. She was also satisfied Santander had correctly sent a default notice.

Miss M is unhappy with the outcome, particularly as we haven't been able to listen fully to the calls. And so she asked for the matter to be referred to an ombudsman.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I don't uphold this complaint. I explain why below.

Miss M entered into a repayment arrangement with Santander to repay her overdraft balance over a 15 month period at £37 a month. The first payment was made, albeit late. Miss M was very apologetic in the call about the amount being late and asked if she could arrange further repayments for later in the month. This was agreed. During this call, Miss M was also told that if she broke the arrangement, this could result in interest and charges being added to the account, and it being defaulted. Miss M confirmed her understanding of this. So I'm satisfied Miss M was made aware, at the outset, of the consequences of breaking the payment arrangement.

Breathing space was agreed during February and March. No payments were made during this time so two payments were outstanding, but interest and charges continued to be held in abeyance. At the beginning of April Miss M called Santander again to ask for further breathing space. Unfortunately, having listened to the call, it doesn't appear to be complete. I

appreciate this is concerning for Miss M but where the information is incomplete I base my decision on the balance of probabilities and the wider surrounding circumstances.

The parts of the call I have been able to listen to concern Miss M asking for more breathing space. She is very grateful for what had happened to date and reassured Santander this was a temporary situation, which was why she hadn't sought any debt advice. The call is placed on hold and the second part of the call appears to confirm a new arrangement has been put in place, as Miss M is told a letter would be sent out explaining that. But there was no discussion of a new payment arrangement before that, so it appears there is a part of the call missing. And the call notes don't really shed any light on that other than to confirm another breathing space period was declined.

The following day Santander sent a letter which confirmed a new agreement to repay the overdrawn balance on the account. Unfortunately it doesn't detail the amount. So it is possible it was agreed for £5 a month to be paid. But it could equally have been for a different amount entirely. Importantly I note the letter, which Miss M has also provided a copy of, explains that information will still be recorded with credit reference agencies and the account could still be defaulted.

A default notice was sent to Miss M on 23 April 2018 as she was in arrears. I know Miss M says she didn't receive this. But it was correctly addressed and most correctly addressed mail is correctly delivered. In the absence of any reason why it wouldn't have arrived, I think it was most likely correctly delivered. Miss M didn't contact Santander about repayments and so the account was defaulted in line with the notice. Santander has followed the correct process and I'm satisfied Miss M was notified of this possibility on several occasions, both in writing and verbally.

I do understand and appreciate this will have an impact on Miss M's credit history, but as the account was defaulted correctly, and as credit file information should be an accurate reflection of the account history, I won't be asking Santander to amend that.

### **my final decision**

For the reasons given above, I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 24 May 2019.

Claire Hopkins  
**ombudsman**