

complaint

Mr W complains that Santander UK plc won't remove adverse credit information he thinks the bank has wrongly recorded on his credit file.

background

Mr W held two Santander current accounts ending *7024 and *8327. In October 2007, Mr W sold his property and moved away. He repaid the overdrawn balance on account *8327 and stopped using it. But Santander applied charges to the account, causing it to go overdrawn again. The following month, £170 was transferred from Mr W's account *7024, repaying the overdraft on *8327. But in December, the bank again applied charges.

Santander says it contacted Mr W several times over the next few months to tell him of the position. As no payment was forthcoming, Santander sent Mr W notice of default in May 2008. It recorded the account as being in default in July 2008. A couple of weeks later, Mr W made a further payment of £149.45 to clear the balance. For some time after that, Santander continued applying charges, but automatically reversed them.

Santander isn't seeking further payment from Mr W in relation to account *8327. But Mr W's concerned over the information the bank has recorded on his credit file. He complained to Santander, saying he never received the default notice. The bank noted it had duplicated the default recorded on Mr W's credit file. It removed one of the default registrations and offered Mr W £100 for his inconvenience. But Santander said the remaining default was correct and declined to do anything further.

my provisional findings

I issued my provisional decision on 17th September 2013. In it, I set out how I considered the complaint should be resolved. My provisional findings were, in summary:

- Santander could have done rather more to assist Mr W with his clear intention to close his account. It ought to have told Mr W how much his pending charges would be, so he could deposit enough to cover them. It was more likely than not that he would have done so. He'd recently sold his property and paid two lump sums in an attempt to clear what he owed. If the bank had given him the information he needed, I felt it likely Mr W would have also cleared the pending charges;

and

- if this had happened, there would have been no further charges applied to Mr W's account after 12th November 2007. The balance sought – and recorded as being in default – by Santander comprised purely charges and interest applied after this date. So if those charges hadn't been applied, there'd have been no balance outstanding – and no reason to default. Nor would Mr W have needed to make the further payment he did in July 2008.

I proposed that in resolution, Santander should refund – with interest – the money Mr W paid in July 2007, remove default information and compensate him for his distress and inconvenience. I invited the parties to let me have any further information or evidence, if they wished, before I finally determined the complaint.

my findings

After receiving responses from both parties, I have reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Santander said it had nothing further to add to its original submissions. And Mr W didn't query my proposed resolution. He simply said he would accept it if Santander paid it quickly.

In light of this, I see no reason to depart from the conclusions I reached in my provisional decision.

my final decision

My final decision is that I uphold this complaint. In full and final settlement of it, Santander UK plc should now:

1. pay Mr W £149.45, being the money he paid in to clear the balance on 18th July 2007. Santander should also pay interest on this amount at 8% simple per annum from 18th July 2007 to the date it pays this settlement. If Santander UK plc deducts tax from the interest element of this award, it should provide Mr W with the appropriate tax deduction certificate;
2. remove all defaults recorded in relation to Mr W's account ending *8327; and
3. pay Mr W £200 in recognition of his distress and inconvenience.

Niall Taylor
ombudsman