

complaint

Mr R is unhappy that Santander UK plc wrongly removed his wife from their joint bank account.

background

Mr and Mrs R have separated. They no longer live together. They had a joint bank account with Santander. Mr R asked to be removed from the account. Santander told him both he and Mrs R needed to sign a form for this to happen.

A few weeks later, Mrs R increased the overdraft limit on the joint account. She then carried out a series of transactions that took the joint account over its credit limit. Shortly afterwards, Mrs R was removed from the account. She had given Santander a form that was apparently signed by both her and Mr R.

This left Mr R solely responsible for the debt. But he didn't know Mrs R had been removed from the account. He hadn't signed the form to allow this. He complained to Santander. The bank accepts it didn't follow the correct procedure when Mrs R was removed. It has agreed to add Mrs R back to the account.

Our adjudicator found this was fair. But he also thought Santander should pay Mr R £300 for the trouble and upset that he has gone through.

Mr R wants an ombudsman to look at his case. He wants Santander to write off the debt.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Santander accepts that it shouldn't have removed Mrs R from the joint account. It accepts that it wasn't Mr R's signature on the form. The bank says it only saw identification for her, not Mr R. So I would expect Santander to put Mr R back in the position he would have been in if the bank hadn't made this mistake.

While the account was in joint names, Mr and Mrs R were jointly liable for the debt. But Mrs R also had authority to increase the overdraft and make transactions. So Santander did nothing wrong when it increased the overdraft. It did nothing wrong when it allowed Mrs R to make the transactions that took the account over the overdraft limit. This also means Santander is entitled to add any fees and charges in line with the account terms.

When Mrs R was removed from the account, only Mr R was liable for the outstanding balance. He was also liable for it before she was removed. The only difference was Mrs R was then also jointly liable for it. They were both liable for the whole debt. They weren't each only liable for part of the debt.

So Santander didn't make Mr R worse off when it removed Mrs R from the account. He was still liable for the same debt. But it isn't fair that Mrs R has been removed when Mr R didn't agree to this. To return him to the position he would have been in had Santander not made the mistake, the bank should return the account to joint names.

I know Mr R thinks Santander should write the debt off. But the bank was entitled to act on Mrs R's request to increase the overdraft. It was also entitled to let Mrs R make the transactions that took the account over that limit. Mrs R was a joint account holder at the time.

I can see that this situation has caused Mr R a lot of distress. It is only right that Santander compensates him for this. It has agreed to offer Mr R £300. I think this is a fair amount. I leave it for Mr R to decide whether to now accept this.

Even if Mr R doesn't accept my decision, Santander still needs to return the account to the joint names or Mr and Mrs R.

my final decision

My final decision is that I require Santander UK plc to return Mr R's account to a joint account with Mrs R. I also require it to pay £300 compensation to Mr R.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 24 August 2015.

John Miles
ombudsman