

complaint

Mr T complained about charges on his account with Santander UK Plc. He wants all charges refunded for the last six years, together with compensation for the effect the charges had had on him.

background

Mr T complained about charges which Santander had made to his current account. He said he wanted a refund.

Santander explained that the fees and charges had been applied correctly. The bank's reply said that it had already waived a fee for unarranged overdraft. There was another fee due shortly, because another of Mr T's direct debits had bounced, but Santander removed this too.

Mr T wasn't satisfied and complained to this service. He said his financial hardship had driven him into gambling, taking payday loans, using loan brokers and other ways of accessing money. He believed Santander's charges had contributed to this. So he wanted all the charges for the last six years refunded, together with compensation for the effect the charges had had on him.

The adjudicator didn't uphold Mr T's complaint. He explained that banks don't have to refund any charges that are applied in line with the terms and conditions of an account. And Mr T's statements showed that the charges had been correctly applied. The adjudicator also explained that Santander would be expected to treat a customer in financial difficulties sympathetically. But this wasn't the same as saying it had to suspend, reduce or refund charges.

The adjudicator also saw that the bank's contact notes showed that Mr T had spoken to Santander on a number of occasions – and the bank had refunded some charges and waived others. The bank had also referred Mr T to their specialist Financial Support Team, and offered help using their text alert service. And it had given Mr T details of debt charities which Mr T could have contacted.

Mr T had also told us that he was on a debt management plan for four accounts, which he thought means that Santander shouldn't be debiting any charges. But the adjudicator pointed out that Mr T's debt management plan didn't include this Santander account. Nor was there any evidence that Mr T had ever told Santander that he was gambling. And the adjudicator didn't think it was wrong that Santander had sometimes allowed Mr T's transactions to go through even if he didn't have the money. The bank's terms and conditions say that it could decide whether or not to let a customer make a payment when they didn't have enough money. And there would be a fee if this took the customer into unarranged overdraft.

Mr T wasn't satisfied. He said the charges were applied unfairly. He said that the majority of people don't have to deal with genuine financial difficulties as he had, and he felt banks showed no emotion or remorse in cashing in on him.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Following a Supreme Court judgement in 2009, it's not allowed to challenge a bank's charges on the grounds they are too high. So I can't look at whether the level of a bank's charges is too high or unfair. This service can only look at whether or not charges have been debited in line with the terms and conditions which customers sign up to when they open an account. I've seen no evidence from the statements that Santander's charges went against those terms and conditions, which Mr T had signed up to by opening the account. Mr T had authorised debits and spent money which sent his account into unauthorised overdraft. The terms and conditions set out the charges for doing this. So I don't find that the charges were wrongly applied to Mr T's Santander account.

When a customer is in financial difficulties, we expect the bank to act sympathetically towards the customer. So I've looked both at what Mr T told Santander, and what Santander did.

Mr T told us that he never told Santander that he was gambling. And although he had a debt management plan, this was for four other accounts and he hadn't told Santander about those. Nor had he told the bank that he had a debt management plan. This is confirmed by what I've seen on the bank's records. I can see that Mr T sent some very angry communications to the bank, using strong words. He also said he "*didn't mean to set up direct debits.*" But he didn't tell them about a gambling problem, or that he had debts elsewhere.

I've looked at what Santander did. In response to Mr T's angry messages, the bank:

- Refunded charges, or waived charges which were going to be debited, on several occasions. These were refunded as a gesture of goodwill, rather than because the bank had debited them incorrectly;
- Told Mr T about the services it provided to help customers manage their accounts, including a text alert system;
- Provided a link to the terms and conditions of the account, which showed how fees and charges would be debited;
- Provided details of independent organisations which could provide free and impartial debt advice.

So I find that, even though Mr T didn't tell Santander the full extent of his financial situation, the bank did everything that was reasonable to be sympathetic to a customer in financial difficulties.

There are various charity organisations which can provide advice about issues such as gambling, keeping spending within one's income, and setting up debt management plans. Mr T told us that he's been in difficulties for years, and he may find it helpful to contact one of these organisations, so he can put his finances onto a more secure basis in future.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 4 December 2017.

Belinda Knight
ombudsman