

complaint

Miss C complains that Santander UK Plc mis-sold her a loan, failed to credit payments she made, closed her account, placed a default notice on her credit file and transferred her debt to a third party.

background

Miss C graduated from university in 2007 and was encountering financial difficulties. She spoke to the bank and as a result took out a loan to repay her overdraft. For the first five months Miss C made loan repayments, but after that the loan fell into arrears. After taking out the loan Miss C did not have a settled address or a regular income. The bank says it wrote to Miss C on numerous occasions, but Miss C says she didn't receive these letters. Some payments were made in 2008, but in due course the bank defaulted the loan and issued default notices.

Miss C says she made payments to the bank at a London branch in 2007 and 2008 which have not been reflected in her account.

The adjudicator did not recommend that this complaint be upheld. He considered it was reasonable for the bank to give Miss C a loan and its actions when Miss C failed to make payments were also reasonable. Miss C did not agree and reiterated that the loan had been mis-sold and also said that her debt had increased significantly without explanation.

my findings

I have included only a brief summary of the complaint above, but I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Miss C approached the bank in 2007 to sort out her financial affairs. The bank had reduced her overdraft limit after she graduated. She says the bank should have extended her overdraft or given her a payment holiday. However, the bank's records show that at the time Miss C was working and had adequate means to meet the monthly repayments. While her circumstances may have changed later I consider it perfectly reasonable for the bank to have offered Miss C a loan in 2007. If she had been offered alternative facilities, such as an increased overdraft she would probably have exceeded that in due course and have found herself in a similar situation.

Miss C says she moved house on a number of occasions and spent time living with friends and abroad. She says she notified the bank by phone of her new addresses, but the bank records do not record all those changes. As a result Miss C says she did not receive any notifications of the defaults. The bank records show that prior to defaulting the loan it tried to contact her on numerous occasions. I can understand the bank failing to record a change of address, but to do so repeatedly seems unlikely. I consider the bank to have issued the notices to the address it held on records and to have done so correctly.

Miss C says she made payments in person to a London branch of Santander in 2007 and 2008 and also she made further payments while she was living abroad. Miss C has not given specific details of the dates or the precise amounts paid, other than they were in sums of £100 or £200 and one payment was for £700.

The adjudicator has asked the bank to review its records for the branch to see if any additional evidence could be located, but none was found. While I do not doubt Miss C believes she did make these payments, in the absence of evidence to support her assertion I cannot safely say the bank has made an error in not recording these unspecified payments.

Finally Miss C has complained that her debts were passed by the bank to a third party. The terms and conditions of the bank allow it to do so and I can see that it made no mistake in so doing. In response to the adjudicator's findings Miss C says that the amount she now owes is greater than her original loan. The bank has confirmed that Miss C continued to build up her current account overdraft so her overall indebtedness has increased. I would recommend that Miss C speaks to the bank to clarify the figures.

For the above reasons I cannot safely conclude that the bank has been in error in its handling of Miss C's accounts.

my final decision

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

Ivor Graham
ombudsman