

### **complaint**

Mr K complains that Santander UK Plc has not responded adequately to his financial difficulties, in that he is trapped in a 'cycle of charges' regarding the overdraft on his current account.

By a 'cycle of charges' I mean a situation where a debt cannot effectively be paid down or paid off, because the charges which are applied are constantly increasing it again.

### **background**

Mr K has an authorised overdraft of £150 and he typically pays £20 per month in charges for this. On an earlier occasion, the bank had accepted he appeared to be in a cycle of charges and took steps to address this by refunding some charges and cancelling others. But the problem happened again.

Our adjudicator concluded the bank had not done enough to help Mr K. As it was now not possible to 'manage down' the debt, he recommended Santander should pay £150 into the account and remove the overdraft.

Santander disagreed with the adjudicator and so the case has come to an ombudsman for decision.

### **my findings**

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

I regard this case as quite fact-specific. Given the relatively small size of the authorised overdraft, the size and frequency of the charges and the adjudicator's opinion – with which I agree – that Mr K, once free from the 'cycle', will probably be able to keep his account in good order, it is difficult to avoid the conclusion that Mr K is indeed still 'trapped' in a cycle of charges, which only a charge-free 'manage-down' or the adjudicator's alternative suggestion would break.

As a manage-down appears not to have been acceptable to the bank, I am happy to endorse the adjudicator's recommendation.

I am also happy to make it clear that this case sets no precedent, even for apparently similar cases, and any future complaints will be considered strictly on their own merits.

### **my final decision**

I uphold the complaint and I order Santander UK Plc to pay £150 to Mr K's account and to discontinue the authorised overdraft.

Roger Yeomans  
**ombudsman**