

complaint

Mr E complains about overdraft charges that Santander UK Plc applied to his account when he was in financial difficulty. He feels these were unjustified and he wants the bank to refund all the charges, with interest.

background

The adjudicator did not uphold this complaint. He felt that when Mr E told the bank he was experiencing financial hardship, it responded positively and sympathetically. He considered that the bank had taken steps to assist Mr E to manage his financial difficulties, so he did not feel able to recommend that it should refund charges he felt it had applied correctly to his account.

But Mr E feels that the bank should have done more to help him and he is disappointed that Santander did not offer him better customer service.

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 sympathise with Mr E. He has worked hard to overcome his financial difficulties and I understand that having to pay bank charges made things more difficult for him. He was right to tell the bank that he was facing financial hardship and I am pleased to see that he has now been able to move to an account where he pays much lower charges, and he is happy with this arrangement.

When Mr E complained to the bank, it told him that it had been decided in court that bank charges cannot be challenged on the basis that they are unfair because they are too high. We have sent Mr E a factsheet which sets out more information about the court decision and I hope that has helped to explain the position.

Banks must still treat fairly any customer who has financial problems and has gone overdrawn. But this does not mean that it must cancel all overdraft charges. Or that it cannot apply more charges while the account remains overdrawn.

I am satisfied that Santander was entitled to apply the charges it did in accordance with the terms and conditions which applied to Mr E's account. I am satisfied that Santander did not apply charges that were unjustified.

Santander is required to respond positively and sympathetically to customers in financial difficulty.

It refunded £150 worth of fees it had charged Mr E and it told him about a different account it offered which might better suit his requirements.

Mr E decided to change his account to one with lower fees. Although there was a delay before Santander opened the new account for Mr E, which resulted in him incurring further charges, these have all been refunded.

The overall result is that Mr E had the benefit of not being charged for exceeding his overdraft limit, or having returned payments, for some seven months or so. So I cannot fairly and reasonably find that he has been disadvantaged by what happened, and I do not consider that it is appropriate to award him compensation for this in these circumstances.

The bank also gave him contact details of other organisations that could advise and help him to manage his finances.

So, overall, I am satisfied that Santander did respond positively and sympathetically to Mr E when he told the bank he was experiencing financial hardship.

my decision

For these reasons, my decision is that I do not uphold this complaint.

Susan Webb
ombudsman