

## **complaint**

Mr D is unhappy that Santander UK Plc allowed transactions to debit his account when there were insufficient funds to cover the payments, and charges resulted. He is also unhappy that Santander allowed him to have an overdraft facility while he was on income based benefit.

## **background**

Mr D's account was debited when he says there were insufficient funds to cover the payments. He is also unhappy that he was provided with an overdraft facility while receiving income based benefits.

Santander says it operated the account within its terms and conditions and it only became aware of Mr D's benefits after the overdraft had been provided. It has requested that Mr D provide an income and expenditure statement and has refunded £245 worth of charges and cancelled pending charges totalling £100. As of November 2012 it suspended all interest and charges on the account.

The adjudicator did not recommend that this complaint should be upheld. He concluded that Santander was not at fault in debiting the account, but had acted within the terms and conditions of the account. He also concluded the overdraft had been extended by Santander at a time when it did not know Mr D was receiving income based benefits.

Mr D disagrees and has asked for his complaint to be reviewed.

## **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 accept Mr D is unhappy that charges have arisen as a result of transactions debiting his account, causing an unauthorised overdraft, when there were insufficient funds to cover the payments in question. I accept this is frustrating and that Mr D feels this was contrary to best practice, and indeed, his prior dealings with the business.

However, in all the circumstances, I am satisfied that under the terms and conditions of the account, debits can occur when there are insufficient funds in the account. I am satisfied that in such cases the customer is treated as having applied for an unauthorised overdraft and fees and charges will arise. I accept this is not what Mr D expected but I do not find Santander was at fault in exercising its discretion to allow the debits with the result that the account became overdrawn.

Mr D is also unhappy that Santander allowed him to have an overdraft when he was in receipt of income based benefits. I understand he regards this to have been irresponsible lending. On the evidence provided by Santander I am not satisfied this is the case. Rather, I find that, at the time the overdraft facility was extended to Mr D in May 2012, Santander was not aware of Mr D's income source. I am satisfied it was not until October 2012 that Santander became aware Mr D was in receipt of income based benefits. I therefore do not find Santander to be at fault as there is no evidence to suggest it should have known or expected Mr D was facing difficulties, or that his expenditure exceeded his income as he has said.

I am satisfied Santander has acted fairly and reasonably in refunding £245 of charges, cancelling £100 of additional charges and suspending all interest and charges from November 2012. I note it has asked Mr D to complete an income and expenditure statement on more than one occasion. I am satisfied in all the circumstances that Santander has attempted to treat Mr D in a positive and sympathetic manner.

**my final decision**

My decision is that I do not uphold this complaint.

Zoe Copley  
**ombudsman**