

## **complaint**

Mrs G complains that Santander UK Plc ('the bank') lent irresponsibly to her.

## **background**

Our adjudicator agreed to an extent, and recommended that the bank write off part of what Mrs G owed. This would broadly have the effect of putting her back in the position she was in before the irresponsible lending – as viewed by the adjudicator – took place.

The bank disagreed with the adjudicator's conclusions and offered instead to refund certain interest and charges.

Mrs G did not expressly agree – or disagree for that matter – with the adjudicator's or the bank's proposals. But she has stressed that (a) the bank's lending must have been irresponsible, because there was no proper enquiry into affordability and (b) she cannot say yes or no to proposals about the debt without knowing what they mean for her in terms of future repayments.

## **my findings**

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

The adjudicator found that the bank's further lending to Mrs G after a particular time (November 2011) was - in as many words - irresponsible, because it should have realised from how she was using her facilities that affordability in the future was questionable. The adjudicator gave various specific examples of what he meant.

In response the bank has argued the lending was not irresponsible because, among other things, Mrs G had a regular income and no arrears or financial difficulties were noted at the point of application.

I am sorry to disappoint the bank but I think the adjudicator has the better arguments in this case. I agree with him that, for the reasons he gave, the bank should not have lent further, from November 2011 onwards, as it did. In particular, I do not think that the bank has shown satisfactorily that the new lending was affordable. For example, it was not sufficient to rely on no arrears or financial difficulties when lending was significantly increased.

## **my final decision**

I uphold the complaint to the extent described and I order Santander UK Plc to implement the adjudicator's recommendations, namely:

- reduce the amount owing on the current account by £2,100
- reduce the credit card debt (number ending 3) to the amount owed as at November 2011
- write off the whole balance owed under the other credit card (number ending 1)

- reduce the amount owing under the present loan account to what was owed under the previous loan account as at November 2011
- pay Mrs G an additional £200 for distress and inconvenience, for the poor service the bank provided since Mrs G raised her complaint

If Mrs G accepts this decision, it will then be for her and the bank to agree on an affordable repayment plan for what remains of the debts.

I note that other issues, for example what payments Mrs G has been making to repay the debts, have arisen while the complaint has been under our investigation. These will need to form the subject matter of a further complaint if they remain unresolved. It should, however, be noted that Mrs G has already been awarded compensation for the bank's poor service, as described above.

Roger Yeomans  
**ombudsman**