

## **complaint**

Mr L complained that Santander UK Plc's overdraft charges were illegal, and that the bank didn't help him with financial difficulties.

## **background**

In March 2018, Mr L complained to this service about overdraft fees on his Santander account. In line with our rules, Santander was given an opportunity to answer this complaint before we looked at it.

Santander said that the bank wasn't able to refund all charges to Mr L's account. It pointed out that Mr L was using the overdraft and he'd be charged in line with the terms and conditions of the account. It wouldn't refund the arranged overdraft fees. But it offered to refund one month's unarranged overdraft charge of £12 as a gesture of goodwill.

Mr L had also said he was experiencing financial hardship, so Santander said it would be beneficial for Mr L to contact its financial support team. It provided contact details. Mr L wasn't satisfied.

Our investigator didn't uphold Mr L's complaint. She listened to call recordings:

- In a January 2018 call, Mr L had said he wanted the charges refunded, and was told this wasn't possible and they'd been debited in line with the terms and conditions. Santander told him he could speak to the financial support team. Mr L refused to speak to that team, and said he was going to move bank. The investigator concluded that Santander had given Mr L the option of speaking to the relevant team to help him.
- Mr L had phoned Santander again, saying he was in financial difficulty and asking for a refund of charges. He was asked some questions about his financial difficulty but didn't give much detail. Santander's advisor suggested a text/email alert, and gave contact details for relevant organisations. So the investigator thought Santander had helped Mr L in the best way it could.
- In April 2018, Mr L had phoned the financial support team and asked for his charges to be refunded as goodwill. Santander offered to waive a £12 fee which was due to be debited, but wouldn't refund fees for his arranged overdraft – because Mr L had signed up to that when he opened the account.

So the investigator concluded that Santander had tried to help Mr L in these calls. Mr L had said repeatedly that all he wanted was his charges refunded. She said that banks have a duty to treat customers in financial difficulties positively and sympathetically. She thought Santander had done so.

Mr L wasn't satisfied. He said Santander's charges were illegal and unfair. He told the investigator he didn't want a repayment plan, because he didn't want his credit file to be affected. He said that what he wanted was the charges refunded.

In mid June, Mr L paid off his overdraft, leaving a nil balance. He says he wants the charges he paid to be refunded.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr L's calls to Santander were all focused on getting a refund of all his charges. At various times he based this request on arguing that the charges were illegal, and that he was in financial difficulties. I've dealt with each of these below.

Mr L argues that Santander's charges should be refunded because they were illegal and unfair. But in 2009, the Supreme Court ruled that charges can't be challenged on the grounds they're too high. They can only be challenged if they've been wrongly applied. Mr L's charges were applied in line with the terms and conditions of his account. So Mr L can't successfully claim that Santander's charges were illegal or unfair. Santander was under no obligation to refund charges which it had charged under the account terms and conditions.

Mr L also said Santander should refund all his charges because he was in financial difficulties. Banks have an obligation to treat customers in financial difficulties positively and sympathetically. I note that in the phone call recordings I've listened to, Mr L didn't give full details about financial difficulties. When one advisor asked Mr L what had caused the problem, his answer wasn't very clear about his situation. For example, he didn't say that he'd lost his job, or any other significant change. There are different ways of helping customers in financial difficulties, and these don't always involve a refund of charges. But without a clear and full picture, Santander couldn't work out a suitable way forward for Mr L's situation as a whole. Mr L told us that he didn't want his credit file affected by any payment plan, so he didn't want a plan. I also note that in June Mr L paid off his overdraft in full.

I've set out the detail of the calls between Mr L and Santander in the background section above. I find that Santander's responses to Mr L's repeated requests for refunds were fair and reasonable, and that it acted appropriately on each of these calls. I don't consider the bank could have been expected to do more, especially when Mr L didn't provide full details of his financial difficulties.

## **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 July 2018.

Belinda Knight  
**ombudsman**