

## **complaint**

Mr J complains that Santander UK plc has imposed unfair overdraft charges on his account. He says he was told he could have these reduced to £10 per month but it never happened. He wants the extra charges refunded

## **background**

Mr J tells us he's been concerned for some time about the overdraft charges being applied to his account by Santander. He advises us he's made several phone calls and that he visited a branch to try to sort this out. At the branch Mr J says he was told his account could be changed so that charges would only be £10 per month - but it never happened. And when he's asked Santander to tell him what the percentage charge is - he says it's refused. He thinks he's being "ripped off" and wants some of the charges refunded.

Santander told us Mr J had contacted it to "demand" it accepted a settlement figure for his account overdraft that was about £300 less than the actual debit balance. It said its call handler had also tried to explain to Mr J that the account terms meant that a daily fee was charged - not a percentage rate. And that he'd been offered the chance to make an arrangement with the collections team - but hadn't wished to speak with anyone else.

It also referred to an earlier occasion when he'd visited a branch and had been told about an account which cost £10 per month to avoid unarranged overdraft fees - but which still charged fees for arranged overdrafts. It said that Mr J had indicated he'd look at this option through the website. And Santander went on to tell us it had written to Mr J - explaining it only charged fees in accordance with the terms of his account. And it had again offered him the option of speaking with its collections team to discuss ways of closing the account - even though it was overdrawn.

Mr J wasn't happy with this response and complained to us.

The adjudicator did not recommend this complaint should be upheld.

He found the charges applied to Mr J's account had been in line with the terms and conditions. And he explained banks don't have to refund charges applied in this way - even if a customer says they're in financial difficulty. Instead we'd expect a bank to work with the customer to try and help. And he'd seen Santander had previously applied refunds and offered Mr J the assistance of its collections team.

In respect of what happened in branch over the advice about a £10 monthly charge, the adjudicator said as he wasn't there it was difficult to reconstruct events. But based on what he'd been told by the parties, he thought an alternative account had been discussed. And it had been left open to Mr J to decide if he wanted to open such an account. Overall, he felt no bank error had occurred and so he wouldn't be upholding the complaint.

Mr J asked for an ombudsman to make the final decision.

## **my findings**

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

I understand Mr J is concerned about what he perceives to be the high level of charges being applied to the overdraft on his account. And I'm sorry to hear of his financial difficulties. But I'm also aware of a previous unsuccessful complaint he brought last year about much the same issue. And, whilst each complaint is considered separately, I can see that Mr J was advised that we couldn't order a bank to refund charges which had been applied in accordance with its terms and conditions. This applies even if a customer is in financial difficulties. And I'm afraid that situation remains the same. Santander has applied the charges in accordance with the terms and conditions of the account - and it's entitled to do so. In 2009, The Supreme Court decided that bank charges can't normally be challenged as being too high or unfair - provided the customer has been notified of them in the account terms and conditions. So I'm not able to say any differently to The Supreme Court.

Whilst it's refunded some charges in the past, Santander is not obliged to keep doing so. And it's offered to assist Mr J - through its collections team - to try to resolve this issue. And I agree with the findings of the adjudicator that what happened in branch was Mr J was advised of an *option* whereby overdraft charges might be limited. But it was left to him whether to take this up.

So taking everything into account I don't think it would be fair and reasonable of me to say Santander has done anything wrong. And whilst I know this will come as a disappointment to Mr J, I agree with the adjudicator, and for the same reasons, that this complaint should not be upheld.

### **my final decision**

For the reasons given above my final decision is I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 9 November 2017.

Stephen D Ross  
**ombudsman**