

complaint

Mrs C complains about the charges that have been applied to her current account with Santander UK plc over a number of years. She says she has been in financial difficulties and believes the charges are unfair and is seeking a refund.

background

Mrs C says that she lost her job in 2009 and shortly afterwards her child maintenance payments were reduced. She found herself in financial hardship. She contacted the bank who allowed her to make interest only payments on her mortgage and extended her overdraft. She found new work in late 2009 but her problems persisted. She eventually sold her house to release money to pay off debts. But she didn't fully clear her debts because she said the bank wouldn't give her a large enough mortgage.

Her problems continued. She says she often visited her local branch to ask for help and apart from some small waivers she was told that she needed to find a way to manage. The result of this period is that she hasn't been able to catch up with her debts.

In 2012 the bank wrote to her suggesting another type of account that might be more suitable for her circumstances. Following a meeting with the bank she switched to a new account but feels she should've been offered the one the bank suggested in its letter. In the last 12 months the bank has again contacted her because of the high level of charges she pays suggesting she might want to consider another account.

In 2014 she complained about the charges. It took the bank nine weeks to reply and she was referred to the financial assistance team. As they couldn't deal with her complaint about the charges she didn't take up their help. Mrs C feels that the charges are now so high that she can't recover.

The adjudicator didn't uphold the complaint. She felt the bank had acted reasonably and offered to assist at times of hardship. Mrs C didn't agree. She still feels that the bank has treated her unfairly due to the interest and charges on her account and she feels she wasn't offered the best account.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. While I am sorry to disappoint Mrs C I agree with the adjudicator for much the same reasons.

A case decided in the Supreme Court means that this service can't consider whether these sorts of bank charges are too high or are unfair. I can look at whether they have been applied wrongly or there was an error. When a consumer contacts a bank to indicate that they are suffering financial hardship the bank is not under any duty to stop or reduce its charges but it does have a duty to respond positively and sympathetically.

I have examined the bank statements that Mrs C has provided and can see that Mrs C was regularly using her overdraft from as early as 2007, which was before her financial situation worsened.

I think the bank has been positive and sympathetic because:-

- on three occasions the bank cancelled fees and when Mrs C was in difficulty in 2009 it extended her overdraft and allowed interest only payments on her mortgage. The increase in the overdraft meant that Mrs C wouldn't pay unauthorised overdraft charges up to the new limit, but Mrs C still exceeded the new limit. During this time the bank didn't intervene to withdraw the overdraft facility which would've caused Mrs C additional problems.
- it increased the overdraft again in 2012 and suggested Mrs C consider a different type of account that might reduce the charges she paid. She admits the charges are lower than the old account but can still be £90 per month.
- more recently the bank has again suggested a different type of account and suggested she speaks to its financial assistance team.

With respect to the complaint that she was unable to open the account type she wanted in 2012, the bank has explained that this was not available in the branch but could've been opened by calling the number on the letter. I think it would've been reasonable for her to do this. The bank is not under a duty to advise Mrs C about which account to use but I think it provided information to help her find an account which she admits was better for her.

I think the bank was reasonable in its response to Mrs C's difficulties and I don't think the bank has been unfair to Mrs C.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs C to accept or reject my decision before 17 August 2015.

Colette Bewley
ombudsman