

## **complaint**

Mr F and Ms W-F are unhappy that their joint account with Santander UK Plc (Santander) has been made delinquent and that a default marker has been put on their credit file. They want their account to be re-instated and all credit markers to be removed.

## **background**

Mr F and Ms W-F had a joint account with Santander. They had an overdraft facility but had gone over the agreed limit. Santander applied charges to their account for the unauthorised overdraft and these charges increased their debt. Santander says that it sent regular statements to Mr F and Ms W-F which showed the arrears on their account and the reason for the charges.

It also explained that it sent a number of letters asking that repayments are made on the account. These letters were addressed to Mr F as he was the primary account holder. Santander says they also sent a notice of default to Mr F before referring the account to the collections and recovery department. But Mr F and Ms W-F didn't respond and pay off the overdraft. So Santander closed their account and put a default marker on their file

Ms W-F is unhappy that she had not been told by Santander that this had happened. She said she found out about it when she saw a change in her credit score earlier this year. Ms W-F argues that she told Santander about her change of address in September 2016 but that the business continued to send statements and letters to their old address. She says that Santander didn't try to contact her by phone at all. She says it had only contacted Mr F as he was the primary account holder. Ms W-F says that if she had been aware of the need to pay off the overdraft then she would have done this as her credit rating is very important to her

Santander agreed that Ms W-F told them of her change of address. But it explained its practice was to change personal details on the customer profile rather than on account records. So it only changed the address records for Ms W-F. Because Mr F was the primary account holder, and he hadn't told them of his change of address, the letters were sent to the address on file. Santander explained that it also phoned and sent texts to Mr F on a number of occasions to try and speak to him about the account.

Our investigator considered the complaint and agreed that Santander should have told Ms W-F that Mr F would need to contact them directly about the change of address. For this reason the investigator recommended that Santander pays £100 for the inconvenience caused. But the investigator didn't think the business acted unreasonably in closing the account and applying the default marker on the file. So Santander was not asked to do anything further.

Mr F and Ms W-F didn't agree with the investigator's view. So their complaint has been passed to an ombudsman to review and issue a final decision on.

## **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 that Mr F and Ms W-F feel very strongly about the action taken by Santander in closing their account and applying the default marker. And I accept they are worried about the effect of their credit score on their business.

But I have looked at the statements and letters sent by Santander and the records of phone calls it tried to make to Mr F. I can see that a number of statements were sent to Mr F and Ms W-F during the summer of 2016 which showed that the account was in debt. These also showed the charges for the unauthorised overdraft. These statements were sent before their change of address in September. I think Mr F and Ms W-F would've been aware of the debt at this stage and didn't act to clear it.

I can see that Santander have a record of a phone call from Ms W-F in September 2016 when she provided her new address. And it agrees that Ms W-F asked for their address to be changed on her accounts. I agree with our investigator that the Santander representative should've explained that Mr F would need to phone himself to change his address.

I've looked at the bank's policy on changing address for joint account holders. It's clear that an address will only be changed when a customer gives permission for this and that joint account holders need to give permission by requesting this directly. But Santander's policy also says that the advisor should tell the customer that the joint account holder would need to contact it directly and this didn't happen in this case. So I can see why Ms W-F may have assumed that the address was changed for both of the account holders as a result of her call. For this reason I think that it's fair for Santander to make a payment of £100 for the poor customer service here.

But I don't think that this would have made a difference to the action taken by Mr F and Ms W-F. Santander has explained that it only sent yearly accounts Mr F and not the regular statements. And that the statements were sent to Ms W-F at the addresses she registered, including her most recent address. Also the account had been in arrears for a number of months before they moved home. So I can't see any reason why they wouldn't have been aware of this. Santander has recently confirmed Mr F has still to advise them of his most up to date address.

Ms W-F says their post was redirected by Royal Mail but it wasn't all received or it was received late. But in an e mail to our investigator she says that she didn't get round to reviewing the statements on her account and she refers to the financial difficulties they were having. She also says she was shocked by the level of charges when she saw them. So I think she was aware of the arrears on the account before receiving the credit check earlier this year.

I also think that Santander made reasonable efforts to contact Mr F by phone and by text to discuss the amount owing on the account. Ms W-F argues that the telephone number used was out of date so Mr F didn't receive the messages. But they don't say that Mr F updated his contact details with Santander so I don't think the business could have known his number had changed.

Considering all of the circumstances I think it is likely that Mr F and Ms W-F would have been aware of the arrears on their account and I don't think they took action to repay the debt. I think Santander made reasonable efforts to contact them about this over a number of

months. I also think it was clear what would happen if they didn't repay the debts but Mr F and Ms W-F didn't do this. I don't think Santander acted unfairly in the way they dealt with the situation.

I agree with the adjudicator that Santander should pay £100 to Mr F and Ms W-F. But I'm not going to ask Santander to do anything further.

**my final decision**

For the reasons above, I uphold the complaint in part and Santander should pay £100 to Mr F and Ms W-F for the poor customer service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Ms W-F to accept or reject my decision before 10 July 2017.

Alison Lyon  
**ombudsman**