

complaint

Miss M complains about Santander UK Plc's ("Santander") applying unfair charges and interest to her account and failing to provide her with an authorised overdraft facility.

background

Unfortunately, about three years ago Miss M had an accident. This resulted in her having to give up work; she then had medical treatment which proved to be unsuccessful. She is now unemployed and receiving state benefits. In 2010 Miss M applied to Santander for an overdraft but this was refused on various occasions over the years since. In the meantime, Miss M incurred significant bank charges resulting from her use of an unauthorised overdraft. She has had to borrow money from family members for day to day living. Miss M wants Santander to refund all such charges and interest.

The adjudicator concluded that there was no obligation on Santander to waive or suspend charges correctly applied and that Santander's decision not to agree an overdraft facility was a commercial one and reasonable. The adjudicator concluded that the complaint could not be upheld.

my findings

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

As regards the charges and interest, I find that these were correctly applied by Santander. The Supreme Court has decided that banks are not required to refund charges where appropriate provision has been made for them in the bank's terms and conditions. This is the case here. Whilst I am sympathetic to Miss M's situation, I cannot order that charges and interest be refunded to her, despite the difficulties they have caused her.

I have considered Santander's decision not to grant an overdraft facility on the various occasions Miss M has requested it. I consider Santander was properly entitled to make its own commercial decision about this. I do recognise that Miss M had a history of managing her accounts well. But her personal circumstances had changed since her accident and Santander was entitled to take them into account in deciding whether to issue an overdraft facility. In any event, there is no indication that the grant of an overdraft facility would have enabled Miss M to live within her means.

I consider Santander responded positively and sympathetically to Miss M, given her circumstances. Earlier this year it waived charges totalling £125 and cancelled further unauthorised overdraft charges which were to be applied to Miss M's account. In my view, this was a reasonable attempt to assist Miss M in breaking the charges cycle, and I do not consider I can fairly require it to do anything more.

my final decision

My decision is that I do not uphold this complaint.

Angela Black
ombudsman