Financial Ombudsman Service

complaint

Mr S complains about bank charges Santander UK PLC has applied over a number of years. He feels strongly that if Santander had cancelled his agreed overdraft facility when he asked it to, he wouldn't have incurred charges for going overdrawn.

background

Our adjudicator was sympathetic. It's clear Mr S has had some money problems and Santander didn't always act as quickly as it should've done to help him.

But our adjudicator didn't think Santander had applied bank charges incorrectly or unfairly. He thought Mr S would've been likely to incur charges in any event as he didn't always have enough money in his account to cover payments. This meant he would've been charged either an unarranged overdraft fee or an arranged overdraft fee for going overdrawn. So our adjudicator didn't believe removal of Mr S' overdraft facility would've meant he'd have avoided bank charges.

Santander refunded some charges and paid compensation for delay in giving Mr S the correct support when it should've done. Our adjudicator felt that Santander had responded fairly and reasonably to Mr S overall. He didn't recommend upholding the complaint.

Mr S feels our adjudicator hasn't fully grasped his complaint. Mr S says he instructed Santander to remove the overdraft facility when he was in credit on the account. And, if it hadn't been available, transactions which sent the account back into the red wouldn't have been accepted by the bank.

So the complaint has been passed to me.

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 appreciate that Mr S feels our adjudicator hasn't properly understood aspects of his complaint. I've looked at everything afresh before reaching an independent view. But I've come to the same conclusions as our adjudicator.

Here's why I say this.

Mr S told us he'd have borrowed money from family and not used the overdraft if it'd been removed as he wouldn't have been able to use it. But I'm not persuaded that I can uphold his complaint just on the basis of what Mr S says. That's because I can't fairly say that having an agreed overdraft limit in place prevented Mr S borrowing money from his family that he could've used instead of going overdrawn. So I find it was Mr S' choice to use his overdraft facility.

Also, the bank terms and conditions say that where a payment would cause an account to go overdrawn, it'll automatically treat that as a request for an overdraft. Fees can apply in this situation on top of the unarranged monthly overdraft fee. It's up to the bank to decide whether or not to agree to cover the payment.

So I think there's a risk that Mr S might've had to pay higher charges if his overdraft had been removed. And I can't in all fairness say that if Santander *hadn't* allowed Mr S to overdraw then he'd have avoided bank charges. If payments he'd made hadn't been honoured by the bank on his behalf I think that might've led to other financial problems for Mr S. I don't feel I can say that his financial situation would've been better overall.

Santander didn't respond correctly straightaway when Mr S said he was having money problems. But it doesn't follow that Santander is responsible for all the financial consequences Mr S faces. Overall, I consider that the refunds and compensation it has paid Mr S fairly reflect the poor service Mr S experienced. I don't consider I can reasonably require Santander to do anything more.

my final decision

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 February 2016.

Susan Webb
ombudsman