

complaint

Mr F complains about the fees for unauthorised overdrafts which Santander UK PLC has debited from his business account. He says he wasn't aware that fees were to be debited and wants these fees refunded. He also wants the level of overdraft fees reduced.

background

Mr F complained to Santander about fees debited from his account in autumn 2013. This happened because a direct debit payment had been made from his account, sending his account overdrawn. Mr F said he hadn't been warned about this payment going out, even though he said he had specifically asked Santander about the debit.

Santander replied to Mr F's complaint refusing his request for a fee refund, because he had received previous fee refunds as a goodwill gesture. The bank said it had told Mr F at the time of the last refund that any future fees wouldn't be refunded.

Mr F complained to us, saying he hadn't been notified that his account was overdrawn. He wanted the level of fees reduced, and a refund of all the fees charged.

Following the adjudicator's involvement, Santander offered to refund Mr F the £15 unarranged overdraft fee, which was incurred because of the wrong information given to Mr F about the debit.

The adjudicator found that Santander's offer was fair and reasonable. In terms of the level of fees, she explained that, following a Supreme Court case in 2009, the level or fairness of bank charges can't be disputed. Banks don't have to refund charges which have been correctly applied to accounts, even in cases of financial difficulties.

The adjudicator also investigated Mr F's statement that he hadn't been notified. Santander told her which address it had used, and this was the same as the one Mr F used to complain to us. The adjudicator had no reason to believe the bank didn't post relevant letters, and explained that she couldn't hold it responsible for the postal service.

Mr F wasn't happy with Santander's offer of a refund for the £15 unauthorised overdraft fee.

my findings

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

The terms and conditions of Mr F's account say that the bank will give at least 14 days' notice of the charges. Santander says that bank statements are sent out on 11th of each month, which complied with this requirement. The address on Santander's records for Mr F is the same as the one Mr F used on his complaint to us. I find it's more likely than not that Santander did send relevant statements and letters to Mr F's correct address, and I don't think the bank can't be held responsible for postal issues.

I also bear in mind that Mr F had incurred fees before, so he would have been aware of what might happen in practice, even if he hadn't read the terms and conditions. I also accept that when he'd previously had fees refunded, Santander had told him at that point that it wouldn't refund him again.

I find that Santander's offer to refund the £15 authorised overdraft fee, because of the incorrect information when he phoned about direct debits, was fair and reasonable. It is in line with our general approach to awards for inconvenience. This is on our website at:

http://www.financial-ombudsman.org.uk/publications/technical_notes/distress-and-inconvenience.htm.

Mr F also asked for the level of fees to be reduced. As the adjudicator explained, the Supreme Court decision means that this service doesn't have the power to overturn fees and charges on the grounds that they're unfair or too high, as long as the bank has applied them in accordance with its terms and conditions. I find that Santander did apply the charges in line with the account terms.

my final decision

My final decision is that Santander UK PLC has made a fair offer of £15. I leave it to Mr F to decide whether or not to accept it.

Belinda Knight
ombudsman