

complaint

Mr S is unhappy with how Santander UK plc has treated him while he has been in financial difficulties.

background

Mr S was in financial difficulties. He was struggling to repay the overdraft on his Santander account. Mr S called Santander. The bank went through his income and outgoings with him. Santander agreed to refund some of the overdraft fees and put others on hold.

Mr S later set up a repayment plan to reduce the overdraft. But he was unhappy when he received letters from Santander asking for his overdraft to be paid in full. He also thought it was "sharp practice" that his account had been transferred to the bank's Collections department.

Our adjudicator didn't think Santander had done anything wrong. She found it had been positive and sympathetic to Mr S.

Mr S wants an ombudsman to look at his case. He says Santander should have let him vary what he paid off his overdraft without all the fuss of ringing them every month. Mr S says he didn't know the bank's actions may affect his credit rating. He wants £300 compensation.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I'm satisfied Santander has done nothing wrong here.

I've listened to recordings of some of the phone calls Mr S made to Santander. In one of the calls, Mr S told Santander he wanted to get his overdraft fees and charges put on hold. The bank told him his account would need to be placed with its Collections department.

Santander told Mr S his credit file may be affected. His account may be passed to a debt collector. Mr S told Santander he didn't want his credit file affected. The bank said he must contact a free debt advice charity. It offered to transfer him straight through to the charity. Mr S said it wasn't convenient. He said he would call the charity the next day.

Santander told Mr S that to stop the fees on his account he would need to get help from a debt advice charity. The bank also told him again that his account would need to go to its Collections team if he wanted the fees put on hold. Mr S agreed. Santander told him it could refund some of the fees that were about to debit his account. It would also stop his daily overdraft fee for 30 days.

It is common practice for a bank to transfer an account to its Collections team when a customer is in financial difficulties. I'm satisfied that Santander did nothing wrong by doing this. I'm also happy that the bank made it clear to Mr S that his credit file may be affected.

In another call, Mr S is very unhappy that Santander won't let him reduce his overdraft. He told Santander his other banks were happy for him to do this. Again, I've listened to this call. I think it is likely that Mr S and Santander were talking at crossed purposes on this call.

Mr S wanted to make payments to bring his overdraft balance down. But I've listened to this call. And I've looked at the letter Santander then sent to Mr S. It is clear that the bank thought Mr S wanted to reduce the formal overdraft limit – not just reduce the balance. Santander told him his credit score wasn't high enough. It told Mr S he could pay his overdraft in full or set up a repayment plan with its Collections team. I'm satisfied this was a genuine misunderstanding.

Mr S called Santander again when he received a letter asking to repay his overdraft in full. He had set up a repayment plan by this time. Santander told him the letter was sent because he hadn't kept to the plan. But Mr S had made several small payments during the month.

Santander's systems didn't recognise this as keeping to the repayment plan – even though Mr S had paid more in total than the expected amount. The bank explained to him that to stop the letters being automatically sent, he had to pay the agreed amount on the agreed day. Mr S was very unhappy with this. He wanted the flexibility to pay what he could, when he could.

Santander told him this wasn't possible. It needed a formal arrangement plan in place. But the bank also said that Mr S could change the amount he paid each month – he just needed to call Santander and let it know how much he wanted to pay. It could then update his records. Otherwise, the letters would carry on being sent. I'm happy that this was reasonable. At the end of the call Mr S agreed it was ok for the letters to carry on being sent while he brought his complaint to us.

In the circumstances, I'm satisfied Santander treated Mr S positively and sympathetically. It tried to help him. It agreed a repayment plan. It refunded some fees and put others on hold. Santander also tried to transfer Mr S to a free debt advice charity to get further help. He refused. It wouldn't be fair for me to tell Santander to compensate Mr S when I've seen nothing to show it has done anything wrong here.

my final decision

My final decision is that 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 23 October 2015.

John Miles
ombudsman