

## **complaint**

Mr B complains that Santander UK Plc wrongly added charges to his account then sent the account to a collections agent. He says the bank has not offered enough compensation for his distress and inconvenience.

## **background**

In May 2012 Mr B complained to Santander about charges that had been added to his current account when he was in hospital. In response the bank refunded and waived charges.

In July 2012 a further charge was applied to his account. As a result of this, further charges were added until the account was overdrawn by over £400. The bank wrote to Mr B but was unable to contact him. The account was eventually defaulted and referred to a debt collection agency.

Mr B complained to the bank, saying that he had been ill and in hospital in France for five months and had therefore been unaware of what had happened to his account. The bank acknowledged that the charges had resulted from the pending payment that was not stopped. It apologised, restored the account balance to zero and recalled the debt from the collection agency. It removed all related adverse information from his credit file. Santander also sent Mr B a cheque for £80 for distress and inconvenience caused.

Mr B was unhappy with the bank's response and referred his complaint to this service. He returned the cheque to the bank and said he felt that a much higher sum would be more appropriate because of the distress caused by the bank and the damage to his credit score.

Our adjudicator did not recommend that the complaint should be upheld. She said the bank had admitted its mistake and had refunded all the charges and interest, and had removed the adverse credit data. She believed that the bank's offer of £80 for distress and inconvenience was fair and reasonable.

Mr B disagreed with the adjudicator's conclusions, saying that Santander's offer was an insult.

## **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 first set of charges on Mr B's account seem to have arisen because he was unable to attend to his affairs when he was in hospital. That was unfortunate but it was not the bank's fault. When the bank was alerted to his circumstances, it refunded the charges. In my view, this was a sympathetic response. There was a pending charge which the bank did not spot and which started a second cycle of charges, which Mr B was unaware of because the bank's correspondence did not reach him abroad. This led to the debt which is the subject of this complaint. The bank apologised and again it put matters right financially, so Mr B has suffered no loss on his account, and his credit file is now restored.

The error that the bank made was in its handling of the first refund of charges, and not in its routine administration of the account. In the circumstances, I consider that its offer of £80 compensation for distress and inconvenience is fair and reasonable.

I realise that Mr B will be disappointed in my decision and I appreciate the strength of his feelings about this matter, but I do not require the bank to take any further action.

**my final decision**

My final decision is that Santander UK Plc has done enough to settle this complaint. I leave it to Mr B to decide whether or not to accept the bank's offer of £80 compensation for distress and inconvenience.

Colin Brown  
**ombudsman**