

complaint

Mr S complains that Santander UK plc forced him into an account he didn't want, which has resulted in him paying excessive charges.

background

Mr S says his account was changed to a student account around the time he went to university. He says he didn't ask for this type of account and was told the overdraft facility that came with it was free. He also says he believes he may have told Santander staff he was attending university but didn't sign any terms and conditions for the account.

Mr S's account was changed from a student account to a graduate account when he left university. Mr S says he didn't agree to that account change either, and in December 2016 the account changed to a basic account. He says that latest change has meant he is now being charged £40 a month in overdraft fees. He would like all of these charges refunded and says there isn't any proof he agreed to these accounts.

Santander says it's applied the charges in line with the terms and conditions of Mr S's account. It says the terms of its graduate account make it clear, that after three years it changes to a basic account, and in this case Mr S's overdraft was no longer free. Santander also says it gave notice of the change of account to Mr S, and it's prepared to offer help and assistance to him.

Mr S complained to us but our investigator didn't uphold his complaint. He thought Santander had acted in line with the terms and conditions of Mr S's account. He didn't think Santander would have offered Mr S a student account unless he provided proof of his university course. He also didn't think it unreasonable of Santander not to be able to provide account opening documents due to the passage of time.

Mr S doesn't accept that view. He says as he hasn't signed an agreement then he's not legally bound by the terms and conditions.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the same overall view as the investigator that Santander has acted fairly and hasn't made a mistake. I appreciate Mr S will be disappointed and so I will explain why I've come to that conclusion.

I appreciate that Mr S would like to see a signed copy of the student account agreement. But due to the length of time since the account was opened that agreement hasn't been kept. I don't think that it's unreasonable of Santander not to have kept it, and as Mr S is no doubt aware, many banks and building societies don't keep records indefinitely.

I can see that the student account was opened when Mr S says he was at university. I think it's unlikely Santander would've known Mr S was at university unless he told it. So I think on balance it's likely that a discussion took place between Mr S and Santander and the student account was opened. Mr S accepts he knew the account had changed and also noticed he now had an overdraft facility. If Mr S didn't want the overdraft facility I would've expected him to tell Santander at the time, but I can see that he used the facility for many years. In those

circumstances I'm satisfied Mr S has agreed to the terms and conditions and has had the benefit of an interest free overdraft facility after graduation.

I've looked at the terms and conditions of Mr S's accounts. And I'm satisfied that Santander has made it clear that, three years after the end of Mr S's course, the account will change to a basic account. I can also see that Santander has written to Mr S to give him notice of the change. So I don't think Santander has made a mistake by imposing account charges in these circumstances. I appreciate those charges have caused Mr S financial difficulties and so I would expect Santander to act positively and sympathetically to his position. I can see that Santander has offered to discuss matters with Mr S and has refunded some fees as a gesture of goodwill. So I'm satisfied Santander has acted in such a way.

Overall I don't think Mr S has been forced into an account and I don't think Santander has acted unfairly. For those reasons I can't fairly order it to refund the account fees and charges.

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 2 March 2018.

David Singh
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