

complaint

Mr and Mrs F have complained about how Santander UK Plc ('the bank') has treated them while they've been in financial difficulties.

background

Mr and Mrs F say the bank should have treated them more sympathetically and given them more help when they were struggling financially. Instead they say the bank removed their overdraft without warning and unfairly caused Mrs F, who doesn't use the account, to have a bad mark on her credit file.

The bank has appointed debt collectors. Mr and Mrs F say they could have agreed to a reasonable payment plan if the bank had been more amenable.

The bank didn't uphold Mr and Mrs F's complaint. It said it had even gone beyond its established policy in order to try and help Mr and Mrs F. However, Mr and Mrs F hadn't adhered to the terms of the 'Monthly Reduced Overdrafts' that the bank had agreed to in order to help them, nor had they contacted the bank to discuss their options as the bank had advised.

Our investigator issued two successive sets of findings. He didn't uphold Mr and Mrs F's complaint. In brief, he concluded the bank had treated Mr and Mrs F reasonably in all the circumstances and that the chief reason the overdraft had been withdrawn was that Mr and Mrs F had failed to keep to the terms of the arrangements.

The investigator also found that the bank had a duty to report the facts to credit reference agencies and as Mrs F was a party to the account in question, the bank had to report her name as such to credit reference agencies.

Mr and Mrs F didn't accept the investigator's conclusions. Their main points were:

- It wasn't sympathetic behaviour by the bank to remove the overdraft facility without any notice.
- If the bank found it difficult to contact Mr F regarding the account, it should have contacted Mrs F as the joint account holder.
- There was evidence of a lack of coordination between departments at the bank that were dealing with Mr F's situation.
- If the bank had behaved better, it would have been possible to come up with an acceptable repayment plan without defaulting the account.
- There was evidence of a greater effort by Mr F to contact the bank about his situation than the bank had given credit for.

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'm sorry to hear of Mr and Mrs F's great difficulties, which have been financial and personal. This hasn't been an easy time for them and I wish them well for the future.

However, I'm sorry to disappoint Mr and Mrs F but I haven't upheld their complaint. On the whole I think the bank treated them sympathetically. Not only did the bank agree to the concessionary overdraft arrangements, but when Mr and Mrs F, no doubt despite their best efforts, didn't keep to the terms of these, the bank still agreed to various 'breathing spaces' and made special arrangements for Mr and Mrs F to make withdrawals.

The difficult path the bank has to tread in cases like this is illustrated by Mr F's suggestion that the bank agreed at one point to an excessive overdraft. I think that criticism, for example, goes too far.

Mr and Mrs F make a fair point about the possibility of the bank contacting Mrs F if it wanted information. On the other hand, if Mr F – who was undoubtedly the main contact, indeed he didn't even include Mrs F's name on the complaint form when first contacting us – if Mr F failed to contact the bank when he said he would, the bank might reasonably expect him to ask Mrs F to contact the bank instead, to adhere to the arrangement.

In terms of contact and the lack thereof, I note from the bank's records on 26 October 2018 (without abbreviations): *"The customer advised he will call back the next day which he didn't. I explained to customer as we have not heard from him the breathing space ran out... Customer will call back tomorrow."* The next entry is a phone call from Mr F on 19 December 2018.

I appreciate that may not be typical and Mr and Mrs F have referred in particular to there having been more contact in and around September 2018 than we may have realised. However, the bank's internal notes to which Mr and Mrs F have referred were reviewed by the investigator before he reached his conclusions. The crucial issue, it seems to me, is whether but for some fault or other on the part of the bank the outcome might have been different and more favourable to Mr and Mrs F. I've been unable to reach that conclusion. And the reason is that I don't think Mr and Mrs F's financial circumstances were such that an arrangement satisfactory to the bank could have been achieved. So I think the default would have occurred anyway.

In terms of a lack of prior notice of ending the overdraft, I can understand why Mr and Mrs F would have liked to be contacted in that way. On the other hand, if Mr and Mrs F knew as they did that the overdraft could be withdrawn immediately if they didn't keep to the terms and they then didn't keep to them, the bank had the right to act as it did. For the bank to give prior notice in such situations can sometimes not be in the bank's interests, as the customer may use the notice period to make the bank's position worse.

Unfortunately for Mrs F, the bank is indeed obliged to include her name when reporting on the conduct of the account to credit reference agencies.

my final decision

I don't uphold Mr and Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs F to accept or reject my decision before 6 March 2020.

Roger Yeomans
ombudsman