

complaint

Mrs G complains that Santander UK Plc unfairly applied charges to her account, causing her financial difficulties.

background

Mrs G says she had never borrowed money from Santander and the account was mis-sold. After Mrs G complained to Santander, it refunded £75 of charges. Mrs G says it owes her more than that.

The adjudicator did not recommend that the complaint should be upheld. She said in November 2009 the Supreme Court issued a ruling that charges on current accounts cannot be challenged because they are unfair or too high. Mrs G had authorised payments without there being enough money in the account and this had led to informal overdrafts and charges. The adjudicator said as the charges had been applied in accordance with the terms and conditions, she did not have grounds to require Santander to refund them.

Santander had refunded £75 of charges and waived others and Mrs G's account had operated mainly in credit since. The adjudicator said Santander had responded appropriately to Mrs G's financial difficulties.

Mrs G did not agree. She said the bank has a duty to repay the charges. She said she was not aware of how fees were applied to her accounts.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Following the ruling of the Supreme Court on the Office of Fair Trading test case in November 2009, account charges cannot be challenged simply because they are too high.

And, while Santander is required to respond positively and sympathetically when told a customer is in financial difficulties, this does not mean that it must refund charges.

Customers have a responsibility to maintain their accounts, including ensuring there is enough money in the account to meet payments. I am satisfied that Santander was entitled under the terms and conditions of Mrs G's account to apply charges for unarranged overdrafts. While Mrs G says the account was mis-sold, the evidence available to me does not support this.

I am satisfied that Santander was entitled, under the terms and conditions, to apply the charges and consider the refund of £75 of charges and waiver of others is reasonable. I am also satisfied that Santander responded appropriately to Mrs G's financial difficulties.

So, while I appreciate this is not the answer Mrs G hoped for, I cannot require Santander to refund more charges.

my final decision

My decision is that I do not uphold this complaint.

Ruth Stevenson
ombudsman