

## **complaint**

Mr S complains Santander UK plc allowed him to go overdrawn when it should instead of declined a transaction on his debit card.

## **background**

Mr S has a disability. His disability means that he can, as he describes it, have a 'spending attack'. It is therefore particularly important to him to make sure he can't spend more than he has in his account.

He has more than one bank account with Santander. On one of his accounts he made a payment using his debit card which if it were accepted would make his account go overdrawn. Mr S didn't want his account to go overdrawn and thinks the bank should have declined the transaction. He thinks it is misleading to call a card a debit card if spending can take the card holder overdrawn and thus he is given credit by the bank.

He believes he had been told that he couldn't go overdrawn when using his debit card. But Santander has no record of this conversation. This upsets Mr S as he thinks Santander should keep better records. Santander has said it has waived all charges relating to Mr S going overdrawn but it expects him to repay the money he spent.

The investigator didn't recommend the complaint be upheld. She didn't think it was unprofessional for the bank not to hold a record of a conversation held a few years ago. She noted the terms and conditions of the business account allow the bank to provide overdraft facilities if payments over the balance are received. And that Santander has said that if Mr S had told it he didn't want access to any credit at all, it wouldn't have offered the debit card because the terms do allow it to go overdrawn. The investigator also looked at Mr S's personal accounts but noted the spending Mr S had referred to occurred on the business account.

She further noted that Santander accepted Mr S didn't plan to overspend and had refunded the charges that had been applied. But she didn't think it would be fair to ask it to waive the spending as Mr S did receive goods or services when he overspent.

Mr S disagrees. He thinks it is convenient the bank doesn't have a record of his conversation with it. He says debit cards were introduced as a replacement for the cheque. And as cheques 'bounced' so should debit cards. He is adamant debit cards shouldn't be allowed to give credit.

## **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 Mr S struggles at times to control his spending. I can understand - especially in this context - Mr S's upset that the bank doesn't have a note of the conversation he had with it which was crucial to reassuring him about the use of his debit card. But I don't think a bank should be required to make a note of all conversations it has with customers. I appreciate that for Mr S this conversation was very important. But for the bank staff they might simply have thought they were providing a straightforward explanation of something which is more fully set out in the terms and conditions of the account and so I can understand why they didn't record it.

I don't think it is likely any bank staff would have intentionally led Mr S to believe that he couldn't go overdrawn using a debit card as I think almost all customer facing staff would have known they couldn't make this guarantee given the way the card works. Whilst pursing this complaint Mr S has asked for hard copies of correspondence. Going forward I think it might be helpful for him to ask the bank to follow up any important discussions with him in writing.

I understand that calling the card a debit card has confused Mr S. I'm sorry this has happened and for the upset it has caused him. But I don't think I can hold Santander responsible for applying an industry standard description to a service. It is clear in the terms and conditions of the account that if there isn't enough money in an account using a debit card to make a payment can cause the card holder's account to go overdrawn. I also think Mr S did have some understanding of this given his request for a guarantee he couldn't go overdrawn.

I agree with the investigator that Santander was entitled – under the terms and conditions of the account - to accept the payment even though it took the account into overdraft and to make charges for that overdraft. I note it has refunded these charges which, given the explanation Mr S has given for his overspending, is I think a fair and sympathetic response. I don't think it should be required to refund the over spend as Mr S has had the benefit of whatever he paid for.

Mr S has compared a debit card to a cheque and said a bank would 'bounce' a cheque if it would take an account overdrawn. This is an option for a bank but banks may also honour cheques even though they take an account overdrawn.

Going forward I understand Mr S has now changed his card from a debit card to a prepayment card and so the issue will not arise again. He also has the option of using cash.

### **my final decision**

My decision is that I do not 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 1 November 2018.

Nicola Wood  
**ombudsman**