

## **complaint**

Mr B complains that an additional charge was applied to his loan when he asked for a settlement figure. He says this charge should have been explained to him when he first accepted the loan, and wants Santander UK plc to refund £119.60 plus pay some compensation.

## **our initial conclusions**

The adjudicator did not recommend that this complaint should be upheld. He concluded that the charge had been correctly applied and the bank had not made an error. Mr B has responded to say, in summary, that the charge should have been explained to him originally.

## **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr B and Santander have said and provided. Having done so I find that I have come to the same conclusions as the adjudicator did, for much the same reasons.

The bank has explained that the “overdraft interest” shown on Mr B’s settlement figure is actually interest accrued because Mr B changed the regular date of payment by about ten days when he took out the loan, plus interest accrued between his last regular payment and the quoted settlement date. Whilst the term “overdraft interest” is not helpful, I am satisfied that the interest is a valid charge and in line with the terms and conditions for the loan.

Mr B says that this should have been explained to him when he took out the loan and I note his concern. I am not persuaded, however, that he would have acted any differently if the impact had been explained, as it suited him to defer the first payment at the time.

**My decision is that I do not uphold this complaint.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr B either to accept or reject my decision before 17 September 2013.**

*Susan Peters*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.