

complaint

Miss G is unhappy about the credit information kept on her file by Santander UK Plc. She would like this to be removed and for Santander to refund money she believes she is owed.

background

Miss G has an account with Santander. She had an agreed overdraft facility but went over the limit in October 2013 and the account remained overdrawn until January 2014. She made no payments to the account during this time and in January 2014 she was sent a default notice by the bank which confirmed she owed over £2,000 plus fees. It also notified her that she had 14 days to pay the outstanding debt and that her overdraft facility was being withdrawn.

Miss G explains that she didn't receive this letter as she hadn't told Santander of her change of address. She phoned Santander at the end of January and gave details of her new address. On the same day she made a payment for nearly half of the outstanding amount. But in March 2014 Santander registered a default on the account as there was still a balance owing of over £1,000. In April Miss G made a payment to cover the outstanding balance and her account was recorded as being in credit.

Some months later (in November 2014) Santander wrote to her to say it had made a mistake in applying fees in October 2013 and refunded her the £50 fee. Miss G believed that the letter also confirmed that any adverse credit information would be removed from her account. So when she discovered, in May 2016, that there was still a default registered on her account she contacted Santander to complain and she asked for this to be removed.

Santander explained that the adverse credit information was correctly recorded as a result of her failure to make the required monthly payments to the account for 6 months and her account being overdrawn for a period of over 3 months. It confirmed that various letters relating to the arrears and the default notice were sent to the address held on the bank's records. Santander felt that it had acted properly in trying to contact Miss G and advise her of the impact of the account remaining overdrawn

Santander also explained that the reference to adverse credit information being removed only applied to the fees incorrectly charged earlier in 2013. But that this didn't include other information held on her account. So the bank didn't agree to remove the adverse credit information from her file.

Since Miss G's complaint to the ombudsman the bank has agreed to refund additional fees incurred in November and December 2013 (total of £100) as it agreed that it didn't put a freeze on her account as soon as it should've done.

Our adjudicator considered the issues and concluded that Santander hadn't acted unfairly in applying the adverse credit information on her account although she did think that the wording of the letter sent by Santander may have caused confusion. She felt the bank acted fairly in offering to refund the two additional months' fees. She didn't find that Santander owed any money to Miss G so has not asked it to make the refund requested.

Miss G didn't agree with this so she's asked an ombudsman to review the decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In particular I have looked at Miss G's bank account statements, the letters sent from Santander about her overdraft, account arrears and incorrect fees and its response to Miss G's complaint.

From the evidence I have seen it appears that Miss G accepts that she didn't provide the bank with her change of address so I'm satisfied that the bank issued the letters properly. And the bank can't be held responsible for a customer's failure to provide them with updated contact details. I also found that the default notice was registered in line with the bank's terms and conditions because of Miss G's failure to make the monthly payments required and the fact that she was overdrawn on the account for more than 3 months. So on this point I don't think the bank has done anything wrong in recording this adverse credit information or refusing Miss G's request to have it removed..

I can see from Santander's letter to Miss G (in November 2014) that it apologised for the error in applying some fees incorrectly and issued a refund for the relevant amount. I agree that the generic wording is unfortunate because it didn't clearly explain that this only relates to the overdraft fees which were applied incorrectly. And it doesn't clearly explain what it means when it says it has 'adjusted any adverse credit ratings'. I can understand why this may have caused confusion. But I don't think the adverse information has been wrongly applied so I don't think it would be right to ask Santander to remove the information from Miss G's records.

I've also taken in to account that Santander has offered to refund additional overdraft fees to Miss G (from November and December 2013) because it accepts it should've put a freeze on her account earlier than it did. I think this is a fair and reasonable approach in the circumstances.

Miss G also argues that Santander owe her a sum of £55.97 which is the account balance from April 2014. But I've seen evidence that Santander notified Miss G of its intention to refund her a payment of £62.84 in February 2016. Santander has explained that this is the £55.97 balance on the account plus a payment of 8% interest. It's unfortunate that has been a long delay in this being identified although I accept the bank's explanation that this only came to light during a routine check on accounts. I've seen evidence from the bank that this refund hasn't been paid yet because Miss G hasn't signed the required acceptance form. But Santander sent her a reminder about this so I'm satisfied that it's tried to refund the outstanding amount and that it's still available to her. So I won't be asking them to do anything further.

my final decision

My final decision is that Santander UK Plc must pay Miss G £55.97 plus simple interest on that sum at eight per cent a year from April 2014 to February 2016.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 25 September 2017.

Alison Lyon
ombudsman