

complaint

Mr and Mrs F complain about overdraft charges applied by Santander UK Plc to their joint account since 2013 and say Santander hasn't treated them sympathetically in their financial difficulties.

background

Mr and Mrs F have a joint account with Santander. Since 2013, they've incurred overdraft charges totalling just under £2,000. They say their financial situation became difficult when Mr F lost his job in 2016 and they told the bank about this in early 2017. After talking to Santander then, it refunded £10 it had charged for a failed direct debit.

In early 2018, they complained to the bank saying the charges applied to the account over the years were unfair. They said Santander should've done something about the charges when it found out they were in financial difficulties in early 2017.

Santander investigated the complaint but said it hadn't done anything wrong. It said they could talk to its specialist team about their financial difficulties. And as a goodwill gesture, it refunded some charges in early 2018. Mr and Mrs F weren't satisfied with this so they came to this service. Our investigator didn't think the complaint should be upheld so they asked for review by an ombudsman.

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 very sorry to hear about the problems Mr and Mrs F have been having. But I don't think Santander's done anything wrong and I'll explain why.

Overdrafts are a discretionary credit facility that banks offer to customers and they are entitled to charge for it. So there's no reason why they should refund historical charges for an overdraft that Mr and Mrs F have used. Since the complaint was raised and Mr F has told Santander more about his financial problems, Santander has refunded some charges as a goodwill gesture and has referred him to its financial support team. But he hasn't wanted to discuss his situation because he says there's no change.

In cases where a consumer can't repay an overdraft, banks may take actions to withdraw the facility and close the account. But this was a joint account and there were regular deposits and withdrawals on the account of significant amounts of money. The overdraft was cleared earlier this year but has built up again. So I don't think Santander would be expected to take this kind of action in those circumstances. While Mr and Mrs F have complained about the charges, I can't see that they wanted to stop using the account.

Mr F's said he had to borrow money to pay off the overdraft. But since then, the account is still being used. I don't think Santander's treated them unfairly by charging for overdraft facilities in the past. I'd suggest Mr and Mrs F get in touch with the financial support team to update Santander on their situation so it can treat them sympathetically and help them in their financial difficulties in the future.

my final decision

For the reasons given above, it's my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs F to accept or reject my decision before 13 September 2018.

Susie Alegre
ombudsman