

## **complaint**

Mr G complains that Santander UK Plc applied unfair unarranged overdraft charges to his bank account. This resulted in Mr G's account being passed to collection agencies and agents being sent to his old address. Mr G is also unhappy that Santander did not remove a default placed on his credit file when it said it would.

## **background**

Mr G moved house but did not tell Santander that he was moving. He had stopped using his bank accounts but a few payments did go through without sufficient funds. This caused charges, but as Mr G was not receiving statements he did not immediately realise that there was a problem. Mr G says that debt collection agencies called at his old address, which caused him great embarrassment.

When Mr G complained to Santander it agreed to remove all the charges and clear the overdrawn balance as a gesture of goodwill. It also said that it would remove any adverse information on his credit file. However, this was not done.

Santander accepted that had made a mistake in not removing the information when it said it would and paid Mr G £195 in compensation for his distress and inconvenience. However, Mr G does not feel that this is sufficient compensation.

The adjudicator did not recommend that Mr G's complaint should be upheld. She found that the steps taken by the bank and the offer of compensation were appropriate in the circumstances. She also explained that Santander had said that it did not send out agents to collect payments, although it might have sent a card asking Mr G to contact the bank.

Mr G was not happy with the adjudicator's response. He says that the charges levied by Santander were unfair and excessive. He also says that the payment of £195 was not sufficient to compensate him for the distress and inconvenience he had suffered, and he would like to know the formula by which Santander has calculated the offer.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr G complains that the charges applied to his account were disproportionately high. However, as the adjudicator explained, the Supreme Court has decided that bank charges cannot be challenged as being unfair or too high, but only where the bank has made an error. The charges were applied in accordance with the accounts terms and conditions so I do not find that Santander made an error in applying the charges. In any event, Santander has now refunded all charges as a gesture of goodwill.

I also accept Santander's explanation that it did not send debt collectors to Mr G's old address, although it might have sent a card asking him to get in touch.

Mr G would also like to know how Santander has calculated its offer of compensation. Payments for distress and compensation are not an exact science. But I consider Santander has taken account of this service's approach to compensation for 'non-financial' loss, to include payments for distress and inconvenience. We publish this information on our

website. After careful consideration, I consider that the payment of £195 is fair and reasonable in the circumstances, and therefore do not require Santander to do anything further.

**my final decision**

My decision is that I do not uphold this complaint.

Alison Cribbs  
**ombudsman**