

## **complaint**

Mr M complains that Santander UK Plc applied unfair charges to his bank account and wasn't clear about the terms and conditions. He's unhappy at not being able to make an appointment at his local branch to discuss these matters. He wants a refund of the charges.

## **background**

Mr M had an age restricted account with Santander which didn't normally attract charges or interest and didn't allow for an overdraft. Santander wrote to him in January 2015 telling him this account would be changed to a current account starting in early May. The new account had different terms and conditions including overdraft charges.

Mr M says from May he used the new account but incurred various charges relating to an overdraft and failed direct debit payments. In May 2016, Santander refunded Mr M a total of £2 which it said had been mistakenly charged in interest payments over the previous four years. It said only £0.56 had been incurred in 2015.

Mr M later wrote to Santander with various complaints about this account and asking for a breakdown of the charges. For ease of reference, I've numbered here the specific points of Mr M's complaint:

1. disproportionate bank charges since 8 December 2015.
2. bank charges applied on transactions made when there was money available in the account.
3. bank charges applied which put his account into a negative balance. This resulted in further bank charges being applied.
4. direct debits taken from his account when insufficient funds to cover them - on some occasions but not on others.
5. Santander allowed him to make transactions from May 2015 that took his account into a negative balance without his prior agreement or knowledge.
6. unclear notification of the changes to the account terms and conditions. Bank statements were difficult to understand and important information wasn't made clear. In particular, information about the charges and interest didn't stand out and he didn't understand them properly.
7. a £2 interest error by Santander caused him to incur charges.
8. the transaction history is impacting on his financial standing.

When Santander was unable to resolve the issues to Mr M's satisfaction he complained to us. He also felt that Santander had misrepresented the reasons why he'd not been given an appointment to discuss matters at his local branch.

Our investigator who looked into this didn't feel Santander had done anything wrong and didn't recommend the complaint was upheld. She considered points 1-5 were covered by the terms and conditions of the account. She found Santander had applied the charges correctly. She gave Mr M a detailed explanation of each issue, which I needn't repeat.

She advised that in 2009 the Supreme Court had ruled that in most circumstances bank charges were not penalties and could not be challenged for being too high.

She noted that whilst the terms and conditions hadn't been included with the notice of change, Santander had explained three ways of seeing these. This included an online option as well as by phone or visiting any Santander branch. She thought this was very clear.

She'd examined the statements and found Mr M incurred charges when there wasn't enough money in his account to cover transactions. She'd not seen any evidence that the £2 interest error had caused further charges to be incurred.

She informed Mr M that bank and credit providers pass information to credit reference agencies. This is to help businesses make better lending decisions. Whilst she regretted the impact on Mr M she couldn't ask Santander to change the information as it wasn't incorrect.

She said Santander had explained Mr M had been offered various appointments at his local branch. But he wanted to be accompanied by a family member - which limited the available times. Santander said it'd offered a Saturday appointment as well as weekdays but advised the issues couldn't be sorted out in branch. It provided a phone number for the department that might be able to help with the issue. As our investigator hadn't been provided with specific details of when appointments had been offered or if Mr M was available she felt she couldn't comment.

Mr M wasn't happy with this outcome and asked that an ombudsman make the final 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.

It's clear that Mr M feels very strongly about the issues that have affected him. He's on a limited income and so wants to avoid unnecessary expense. I understand this and appreciate the matter has caused him considerable anxiety as well as expense.

In order to uphold the various aspects of his complaints I'd have to decide that Santander did something wrong. And with one minor exception I don't think it did.

Mr M was sent a letter which set out clearly how he could see the terms and conditions. I've considered whether this was sufficient to comply with the requirements of the Banking: Conduct of Business sourcebook (BCOBS) 4.1. But given it was made clear they were available in branch - and not just online - I'm satisfied Mr M had every chance to see them - if he chose to do so.

This letter was sent almost four months before the changes started – so he'd plenty of time to read them and get any queries answered. So it wouldn't be fair and reasonable to say the charges weren't made clear whether in an account statement or otherwise.

I accept that Mr M may not have read these changes to the account terms - that's not uncommon. But I don't think I could then say the bank's wrong to apply them.

Santander admits it mistakenly charged £2 interest to Mr M's account. Whilst it refunded this amount it didn't offer any compensation - given the amount involved, I wouldn't expect it to. And it's fair to say Santander didn't offer the same leniency to Mr M when he went into

overdraft for similarly small amounts. But I can't accept that this 'missing' £2 made any difference to Mr M's spending pattern - and so didn't affect the charges.

Whilst I understand Mr M's concern about the effect on his credit record I agree with the investigator. Santander hasn't caused any incorrect information to be recorded. And like the investigator, I've not seen any details of when appointments were offered or if Mr M was available - so I can't comment on this.

I hope - following the very full explanation given by our investigator - Mr M is now aware of all the information he needs to avoid future charges. But I'm not able to help him with those incurred to date. They've been properly applied.

Whilst I know it will be a disappointment to Mr M, for the reasons given - and those previously stated by our investigator - I'm not upholding this complaint.

### **my final decision**

For the reasons stated I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 July 2017.

Stephen D Ross  
**ombudsman**