

## **complaint**

Mr and Mrs D complain about how Santander UK Plc handled their joint current account when it was overdrawn.

## **background**

Mr and Mrs D opened a Santander bank account in 2015. When they applied for this account, they applied for an overdraft facility, which was granted.

Whilst they had their account they were overdrawn regularly, and occasionally went into an unarranged overdraft, so charges were applied on a variety of occasions. Santander wrote to Mr and Mrs D asking them to deposit money into their account. When they didn't do this, Santander removed the overdraft facility and recorded late payment markers on their credit files.

Mr and Mrs D have complained as they feel this is unfair. They said they've not been over their overdraft by much and the charges led to being in the unarranged overdraft. Our investigator didn't think Santander had acted unfairly. He explained that Santander made it clear what the overdraft fees were, and explained what would happen if Mr and Mrs D didn't deposit money into their account.

Mr and Mrs D say they were never made aware that the overdraft was a credit agreement and so would like the negative markers removed from their credit file. They've asked for an ombudsman to look into their complaint so it's been passed to me.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not upholding this complaint. I'll explain why.

When Mr and Mrs D applied for their bank account, the application form explained that it would report the details of how the account is managed to credit reference agencies. This includes if Mr and Mrs D fail to make agreed payments into the account. I can see this is what happened. A condition of Mr and Mrs D's account was to make regular payments of £500 into the account – but I can't see this happened all the time. As such, Santander contacted them to ask them to make these payments – particularly as Mr and Mrs D's account was in the arranged overdraft. I think it's fair that this information was submitted to credit reference agencies – and Santander also set this out in the letters it sent to Mr and Mrs D.

I can also see Mr and Mrs D were supplied with a key facts document about their bank account. Part of this document was titled "pre-contractual information for overdrafts". In this document it sets out that the overdraft is a credit facility – and that it can be changed at any time and that Santander may require Mr and Mrs D to repay the credit in full on demand at any time.

From the statements I've seen, and the letters Santander has sent to Mr and Mrs D, the account wasn't being managed in the way that the terms required. For example there weren't regular deposits and at points the account went into an unarranged overdraft – despite Mr and Mrs D being asked to make payments. So I don't think it's unfair for

Santander to have removed the overdraft facility – and I think it gave Mr and Mrs D enough notice to put their account right before it did so. The charges deducted were made in line with the terms that Mr and Mrs D agreed to at the outset and I think it was clear what these charges are.

So whilst I understand that Mr and Mrs D are disappointed with the markers on their credit file, I think Santander made it clear that information would be shared with credit reference agencies in the letters it sent, and made Mr and Mrs D aware it could happen at the outset. So I don't think it's acted unfairly.

**my final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 23 April 2018.

Charlotte Wilson  
**ombudsman**