

complaint

Miss B has raised a complaint about the charges applied to her two current accounts by Santander UK Plc ("Santander") while she was using her authorised overdraft facility.

background

Miss B says Santander has repeatedly changed its charging structure since 2011 and has refused to give her a breakdown of the charges, instead charging her two lump sums each month. She says the charges are unfair as her overdraft balances are relatively low and she's being charged the same as other customers who have significantly larger overdraft balances.

She also says Santander wrote to her in 2016 to let her know about the possibility of merging her two current accounts. This means she will only incur one set of overdraft charges. She questions why this didn't happen earlier as this would've halved her monthly current account charges.

I issued a provisional decision on 16 May 2018 to let both parties know that I didn't intend to uphold the complaint. In summary, I explained that we wouldn't generally consider the fairness of the charges added to Miss B's accounts and I didn't think Santander had made a mistake in not combining Miss B's accounts sooner than it did.

Here's what I said:

"Miss B raised a complaint about the charges applied to her account in 2015. That complaint related to the fairness of the charges added to Miss B's accounts. Another ombudsman reached a final decision on that case. That decision explained that the charges couldn't be challenged on the basis that they are unfair or too high. Miss B is complaining about the same type of charges here so I can only say again that we wouldn't generally consider the fairness of these charges.

So the only issue left for me to decide is whether Santander should have combined Miss B's accounts sooner than they did. I wouldn't have expected Santander to review the accounts it holds unless it's given a reason to do so.

I've reviewed the contact notes between Santander and Miss B and can't see anything that makes me think Santander should have carried out a financial review sooner than it did – there's no suggestion from those notes that Miss B had ever requested a review or made the bank aware that she was struggling to manage her accounts. And even if it had reviewed Miss B's accounts, there are no records that Miss B had asked Santander to combine her accounts. So Santander wouldn't have known whether one overdraft would have suited Miss B's needs – or whether she prefers to have two accounts.

I've seen Miss B's statements and while she does go into her overdraft, she generally stays within her approved limit. So I haven't seen anything to suggest Santander should have intervened in how Miss B chose to run her accounts.

So overall I don't think Santander was obliged to review Miss B's account and decide to combine her overdrafts. This happened as a result of a conversation Miss B had with Santander – when they were able to discuss her needs in more depth. And even then, Santander needed to pass it to their underwriters to review and decide on.

So while in hindsight, Miss B believes this could've saved her money, for the reasons I've explained above, I don't think Santander was under any obligation to suggest this sooner than it did.

I can see that the outcome of the underwriter's review wasn't communicated to Miss B for several months. Santander has apologised, waived some overdraft charges and paid Miss B £100 compensation for this error. As Santander rectified its mistake as soon as it became aware of it, I think the offer made by Santander is a fair one. And I don't intend to ask them to do anything further.

I asked everyone to send me any further points or information they wanted me to consider before I reached my final decision.

Santander responded to say it had nothing further to add. Miss B replied to say she didn't agree with my provisional decision. In summary, she said:

- That we should've spoken to the person who dealt with her case at Santander as he had told her to complain to us in order to get her charges reimbursed
- That the charges she had incurred were disproportionate to the amount she had gone overdrawn and that Santander didn't ask her before taking these charges out of her account
- That the responses she had received from Santander were of poor quality and offered no remedy
- Santander never suggested a bank loan
- That various political figures and media are opposed to charges and believe they should be stopped
- Santander has never explained how it calculates its charges
- That it is unfair to deduct charges from an account which only contains her benefits and rent money
- That she can't afford to repay the authorised overdraft charges on the account and that the debt she currently has on the account isn't real debt because it's not the figure she originally borrowed
- That we should look at the underwriters decision when it decided to combine her overdrafts and the reasons for it

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, my decision remains unchanged from my provisional decision. I realise this will be disappointing to Miss B but I'll explain why.

As I mentioned in my provisional decision, we wouldn't generally ask a bank to refund charges on the basis that they are unfair. This is an issue that was previously considered by the Supreme Court who, in summary, said that account charges can't be challenged on the basis they are too high if they're applied in line with the terms and conditions of the account. This applies to all accounts, including those where the income into the account is from benefits. And from all the evidence I've seen I think the account charges were added in line with the terms and conditions of the accounts so I can't see any reason to ask the bank to refund these.

Miss B has commented that various political figures and the media are opposed to charges. She has also asked me to speak to various people at Santander for further information. I have considered her comments and requests. But my role is not to consider those opinions – it's to reach a decision on what I believe to be fair and reasonable in the circumstances of this particular complaint. So these comments don't change my opinion. And I am satisfied that I have all the relevant information I need in order to reach my decision on this case.

Miss B has also raised concerns about the way Santander has taken the charges from her account. She says that Santander didn't ask her before taking the charges out of her account. But Santander has explained that Miss B would've been notified of the charges on her monthly statements and they would've debited her account after 22 days' notice has been given. So I'm satisfied Santander did everything it needed to before taking the charges and didn't need to ask Miss B for her permission for the charges to be removed from her account. I realise that Miss B doesn't see these charges as real debt because it's not the figure she originally borrowed but Santander is entitled to apply fees and charges in line with the terms of Miss B's account, which is what it has done here. So I'm satisfied that these charges form part the outstanding balance Miss B owes to the Santander. If Miss B can't afford to repay these then she should discuss this with Santander who can give her advice on how to manage her finances or refer her to other organisations if appropriate.

Miss B has also said that Santander never explained how it calculates its charges. This was addressed in a previous final decision. So as it's already been considered by this service, it isn't something I can reconsider here.

I've reviewed Santander's response to Miss B and I can't agree that they were of poor quality. They address the issues Miss B has raised and set out its response to her, which is what they needed to do. And where Santander had made mistakes I can see it apologised and rectified those mistakes as soon as it became aware of them. So I think the responses Santander sent were appropriate and I think the offer made by them is fair.

Miss B has raised concerns that Santander never suggested a bank loan. As I explained in my provisional decision, I don't think Santander had any cause to review Miss B's accounts sooner than it did as I can't see it had any reason to think she was struggling financially. Miss B generally managed her account well and rarely went into an unauthorised overdraft so overall I don't think there was any reason Santander should've thought it needed to intervene in the running of Miss B's accounts.

my final decision

So for the reasons outlined above, Miss B's comments don't change my decision. My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 21 September 2018.

Sara Falzon
ombudsman