

## **complaint**

Mr and Mrs D complain that the fees and interest charged by Santander have made their financial difficulties worse. They want the bank to refund about £1,030 of fees and interest charged between September 2011 and July 2012.

## **background**

Mr and Mrs D wrote to Santander in July 2012 explaining that they were suffering from financial hardship – which started in 2011, when Mrs D lost her job. They asked the bank to refund six years worth of fees and interest and in particular £1030 of fees charged since 2011. The bank refunded £20 of fees initially, and later, after the complaint had been referred to this service, an additional £125 of fees as a gesture of goodwill. Mr and Mrs D say that this is not enough as it does not help them with their current financial problems or break the cycle of charges.

## **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 and Mrs D told the bank that they were suffering from financial hardship in July 2012 – which appears to be the first time they complained about fees on their account. Santander refunded £20 and arranged to cancel fees due for August in an attempt to help Mr and Mrs D. Once Mr and Mrs D complained to this service, Santander refunded an additional £145 of fees. I am satisfied that this is a fair and reasonable response to Mr and Mrs D's complaint. I say this for two reasons.

Firstly, I have seen the terms and conditions for the account and am satisfied that fees and interest were applied in line with these. So I do not find that the bank was in error when it charged the fees.

Secondly, when a bank knows that a customer is suffering from financial difficulties, it is obliged to respond positively and sympathetically. This can be in a number of ways, including refunding some or all fees, helping a customer to manage down their borrowing, continuing to provide facilities, and referring customers to debt counselling services. There is no obligation for the bank to refund fees if it does not think that this is appropriate.

I am satisfied that the activity on Mr and Mrs D's account would not have alerted the bank to any financial difficulties before they wrote in July 2012. I say this because the account summary shows that the account, by and large, operated within the overdraft limit even though it was always overdrawn. I have looked at the summary statements provided by the bank and can see that from January 2011 – when Mr and Mrs D say their problems started – until July 2012 when they wrote to the bank they were charged approximately £590 in fees. The bank has refunded £180 of these, even though it is not obliged to do so. When it wrote to Mr and Mrs D in July 2012 it did say that fees would be charged in the future. It also gave them the option to talk to the banks collections and recoveries department, but rightly warned Mr and Mrs D that this might affect their credit rating. This is because any arrangement (which might include cancelling interest and charges) would be recorded on their credit record. It also provided details of debt counselling services that Mr and Mrs D

could use. I cannot see that Mr and Mrs D took up these options, but I am satisfied that the bank's response fulfils its obligations to customers in financial difficulties.

**my final decision**

My final decision is that I do not uphold this complaint, but I would urge Mr and Mrs D to contact the bank and discuss their situation if they are still experiencing financial difficulties.

Susan Peters  
**ombudsman**