

## **complaint**

Mr N complains that Santander UK Plc has charged him unfair overdraft charges and interest.

## **background**

Mr N says he stopped using his Santander account and there was a balance of about £3 left in it. He says in December 2018 he mistakenly paid a restaurant bill, using his Santander account card. Mr N says that meant his account became overdrawn even though he doesn't have an overdraft facility or agreed to have one. He says he contacted Santander in March 2019 but it didn't raise a complaint and has charged him £96.63.

Santander says Mr N used his account card in December 2018 but didn't raise the issue with it until March 2019. It accepts it should have raised a complaint straight away and has apologised to Mr N and paid him £25 compensation. Santander says it did raise a complaint some days later and agreed as a gesture of goodwill to refund £50 in charges and stop a further £48 of charges. It says it acted in line with the account terms and conditions by allowing the transaction and then treating Mr N's account as being in an unarranged overdraft and charging the fees and interest. Santander says it sent Mr N regular account statements and that he last used the account in November 2018 before the mistake.

Mr N brought his complaint to us but our investigator thought Santander had acted fairly and in line with the account terms and conditions. The investigator also thought the charges were correctly applied and that Santander had acted fairly by refunding some of them. The investigator thought the compensation payment was fair and reasonable and that Mr N had been sent regular account statements and ought to have noticed the account being overdrawn.

Mr N doesn't accept that view and disputes that Santander sent the statements when he stopped banking with it at the end of 2018. He says he was caused trauma by what happened and that the £25 compensation doesn't go far enough. He would like further compensation and the balance written off.

## **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've come to the same overall view as the investigator for the same reasons. I realise Mr N will be disappointed by my decision.

I've looked at the terms and conditions of Mr N's account which I'm satisfied he agreed to when the account was opened. And I'm satisfied those terms and conditions make clear that in these sorts of situations, where there isn't enough money in an account, that Santander will authorise the payment. And will treat the account as being in an unauthorised overdraft which would then result in charges and interest. So I don't think Santander made a mistake by allowing the transaction to be made in December 2018 and I don't think it could reasonably have known that Mr N had made a mistake. I also don't think it then made a mistake by making the charges it did, and I've not seen any evidence that those charges have been miscalculated.

I think that it was Mr N's responsibility to monitor the account and I can see that Santander sent Mr N regular account statements which he could also have accessed on line. I

appreciate that Mr N says he didn't receive those statements but having looked at Santander's records I'm satisfied they were sent to him. I also appreciate that Mr N says he stopped banking with Santander at the end of 2018 and that's why it may not have sent the statements. But I'm satisfied Mr N used the account in November 2018 and there was still a balance in the account when he made the mistake in December 2018. So I don't think the banking relationship had ended.

There is no question here that Santander should have raised a complaint when Mr N called it in March 2019. But I'm satisfied Santander has apologised for its mistake and did raise a complaint some days later. I also think it's paid a fair and reasonable amount of compensation, which I think fairly, reflects the level of its mistake, the fact that Mr N didn't suffer financially as a result and the impact the mistake would have had upon him. I appreciate that Mr N says he's been caused trauma as a result of what's happened. But I can't fairly ask Santander to increase its compensation offer.

I'm satisfied that Santander has tried to assist Mr N by refunding some of the charges and cancelling others. I'm also satisfied Mr N owes Santander the overdrawn balance and I hope he can reach an agreement to repay that money as that amount may increase and affect his credit rating.

### **my final 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 Mr N to accept or reject my decision before 26 August 2019.

David Singh  
**ombudsman**