

complaint

Mr R complains that Santander UK Plc reduced his overdraft limit without telling him.

background

Mr R is overseas and he explains that he paid in money to his UK bank account with Santander to cover his credit card direct debits. Unknown to him Santander had reduced his overdraft limit and so the direct debits were not paid. Mr R said he wasn't given any notice about the reduction in his overdraft limit and he has been inconvenienced and spent money on expensive international calls to sort out the situation. Santander initially told Mr R that it could reduce his overdraft without warning and it hadn't done anything wrong but it agreed to waive charges and pay for calls. The charges were not waived and Mr R had to call again. Santander says that Mr R was given the wrong information when he called to complain and the bank had sent a notice about the reduced overdraft to Mr R's online banking messages. Santander said that it had not refunded the fees properly and has agreed to refund further fees of £30 and pay additional compensation of £65.

Our adjudicator thought that this was a fair settlement of the complaint. He was persuaded that Santander had sent a notice about reducing the overdraft to Mr R's online banking and he thought the additional compensation was fair and reasonable to reflect the poor service. Mr R didn't agree and said in summary that he did not get the message through online banking and the compensation offered didn't cover the cost of his calls.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr R explains that he didn't see any notification from Santander that it was going to reduce his overdraft. Santander has said that it sent a notification to Mr R's online banking. I think it is likely that the notification was sent but I accept that Mr R didn't see it. Mr R is registered for online banking and accesses the system regularly but he says that he can't access notifications from his mobile device. Santander didn't know that Mr R was overseas and so I can't say it should have done any more to contact Mr R. In the circumstances I think that Santander didn't do anything wrong when it reduced the overdraft. It is entitled to decide how much to lend and can review an overdraft at any time. It did give Mr R reasonable notice of the reduction.

Mr R tried to sort out the problem that was caused by the reduction in the overdraft and I don't think that Santander provided a good enough service or explained the situation properly to Mr R. It should have told him that the notification about the overdraft was sent to his online banking. I think it was reasonable to refund the charges in these circumstances but then Santander didn't do this properly and Mr R had to call back. After Mr R complained to this service Santander confirmed that the charges had still not been refunded in full as agreed and offered to refund the remaining charges and pay a further £65 compensation.

I can understand why Mr R doesn't think this is enough to cover the trouble and upset caused and the expense of his time and calls to the UK. But I don't think Santander did anything wrong by reducing the overdraft limit and I think refunding the fees and offering compensation for the poor customer service is reasonable in the circumstances. I don't think it would be fair for Santander to pay Mr R any more. This service does not punish banks and

the awards we make are modest. I think that the additional compensation taken together with what Santander has already paid and refunded is fair and in line with other awards we make.

my final decision

My final decision is that I uphold this complaint. In full and final settlement of it Santander UK Plc should pay Mr R £95. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 29 December 2015.

Emma Boothroyd
ombudsman