

## **complaint**

Mr C complains that although he repeatedly asked Santander UK Plc for an overdraft facility to prevent him incurring charges, for a long time this was refused. As a result, the bank applied charges to Mr C's account which he says has added to his financial difficulties. He would like the bank to refund these charges to his account, and pay interest.

## **background**

Prior to 2011, Mr C contacted Santander on a number of occasions, and asked the bank for approval to go overdrawn by a small amount, but each time the bank declined to approve an overdraft facility for him.

As a result, he regularly incurred unauthorised overdraft charges and these were added to his account.

When he complained to the bank about its charges, Santander told Mr C that at the time he requested approval to go overdrawn, he did not meet its criteria to be offered an overdraft. But when he qualified for an overdraft in 2011, Santander did approve a £50 overdraft facility for Mr C.

Since then, he's only gone over his overdraft limit on a few occasions. But he's concerned that the unauthorised overdraft fees that Santander added to his account made it more difficult for him to manage his account without going overdrawn.

Santander says it took its responsibilities under the Lending Code and the Banking Conduct of Business Sourcebook very seriously and it always adopted a responsible approach to lending its customers money. In its final response letter, the bank told Mr C about an account it could offer which might be more suitable and help him avoid charges for going overdrawn without authorisation. And it gave him information about where he could get free debt advice. But it said it was not prepared to refund the charges he'd complained about because it was up to him to manage his account in order to avoid paying fees.

The adjudicator felt that the bank's response was fair and reasonable and didn't recommend any further action.

But Mr C blames Santander for his ongoing financial problems and he doesn't think that the charges have been properly applied. So I am reviewing his complaint.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am sorry to learn of Mr C's longstanding financial difficulties. I appreciate that he's tried to manage his account responsibly and it's frustrating for him when more charges are added on to the amount he has to repay.

The adjudicator has already explained that it's been settled in law that current account charges cannot be challenged because they are unfair or too high, and we've sent Mr C more information about this.

I must be satisfied that Santander has acted fairly and reasonably.

I understand that Mr C believes that his financial position would have been better if Santander had put in place an authorised overdraft facility for him when he first requested this. But it's up to the bank to decide who to lend to. Santander has criteria for deciding this and it's said that it takes its lending responsibilities seriously. Mr C didn't qualify for an overdraft so it would have been irresponsible for the bank to lend him money on request.

The bank was entitled to decide whether or not to give him an overdraft so I can't agree in these circumstances that the bank was wrong to refuse to grant him an overdraft before he met its lending criteria. But I'm pleased to note that Mr C has been able to take advantage of an overdraft facility for the last couple of years and I hope he's finding this useful.

I have looked at the charges that have been applied to Mr C's account and I am satisfied that these do appear to have been applied correctly in accordance with the terms and conditions that apply.

Santander has an obligation to treat customers positively and sympathetically if they experience financial hardship. I am satisfied that once Mr C made the bank aware that he had financial problems, it did respond appropriately. For instance, in June 2011, the bank suspended charges of £75 on his account. And it suggested ways he could avoid charges on his account and told him where to get more advice about ways to manage his finances more effectively.

But even if he is continuing to experience financial hardship, Santander is not obliged to refund bank charges. And it is still up to Mr C to ensure that he has enough money in his account to cover payments without exceeding his agreed borrowing limit, so as to avoid incurring more charges.

In these circumstances, I do not consider that I can fairly and reasonably require the bank to do anything more, although I remind Santander of its ongoing obligation to respond to Mr C positively and sympathetically if he continues to experience financial hardship.

### **my decision**

For these reasons, my decision is that I do not uphold this complaint.

Susan Webb  
**ombudsman**