

## **complaint**

Mr and Mrs W complain that Santander UK plc (then Alliance & Leicester) made an error and provided them with a £25,000 overdraft instead of the agreed £2,500. They have spent the overdraft and say that Santander should be partially liable for their debt because of its error.

## **background**

Mr and Mrs W opened a business account in 2008 and applied for a £3,000 overdraft. The bank agreed to provide them with a £2,500 overdraft but provided them with a £25,000 overdraft in error. Mr and Mrs W spent the money. When the business had stopped trading in 2011, Santander asked for the overdraft to be repaid. Mr and Mrs W say that Santander should be partially liable for the debt because of its error in providing them with the wrong amount and its failure to monitor their spending. They complained to Santander but were not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. She concluded that, although the bank made the initial error, Mr and Mrs W had received the benefit of the money that they had spent. She concluded that Santander should not be partially liable for the debt. She noted that it had accepted affordable repayments from Mr and Mrs W and that it had stopped applying interest and charges to the debt in May 2011.

Mr W says, in summary, that Santander should accept some of the responsibility for the debt as it was its mistake and subsequent neglect that were partly to blame for the situation.

## **my findings**

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

There is no doubt that an error was made when Mr and Mrs W were provided with a £25,000 overdraft instead of the £2,500 overdraft that had been agreed. Had they informed the bank of its error at that time, their subsequent problems would have been avoided. Mr and Mrs W did not do so and instead spent all of the money that had been provided to them. They were aware of the bank's error and received regular statements for their account. I have seen no evidence to suggest that they did not receive the benefit of the goods and services that they purchased with the money that was provided to them. I therefore do not consider that it would be fair or reasonable for me to require Santander to accept partial responsibility for Mr and Mrs W's debt and I am not persuaded that it should write off any part of it.

Mr W says that it was the bank's responsibility to "*keep an eye*" on a new start up business and to see whether it was getting into debt. He says that if the bank had done so, the full amount of the debt would have been avoided. I am not persuaded that Santander had a duty to monitor Mr and Mrs W's business or their finances. Nor do I consider that it was required to challenge their decision to spend the majority of the money within a year.

Santander has accepted affordable repayments from Mr and Mrs W and interest and charges have not been applied to the debt since May 2011. I consider those actions to be fair and reasonable in the circumstances.

**my final decision**

For these reasons, my decision is that I do not uphold Mr and Mrs W's complaint.

Jarrold Hastings  
**ombudsman**