

complaint

Mr M complains that Santander UK Plc wrongfully applied interest to his current account when it was overdrawn. In addition, he feels that Santander should have suspended further charges while his complaint was being investigated.

background

Mr M says that when he opened the account, he was told that he would have an interest free overdraft of £1,000.

Santander says that there were no products available at the time Mr M opened his account which offered an interest free overdraft. Santander says that Mr M's account offers 1% interest on credit balances of up to £2,500 if the account is credited with £1,000 each month.

The adjudicator did not recommend that the complaint should be upheld. She said, in summary, that the charges had been applied in accordance with the terms and conditions governing the account. She explained that this service does not consider it unreasonable for interest to be charged on money borrowed from a bank. As Santander had paid Mr M £40 compensation as a gesture of goodwill, she found that the bank did not need to do anything further. She also explained that an on-going complaint does not stop the terms and conditions of the account being applied. So she did not agree that Santander should have suspended charges while the complaint was being investigated.

Mr M is not happy with this response.

my findings

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

Standard procedure on opening a bank account would have been to give Mr M a copy of the terms and conditions of the account to read and sign. Mr M says that he was told that he would have an interest free overdraft. However, it would have been clear from the terms and conditions that this was not the case. I find that the £40 already paid by Santander is fair and reasonable compensation for the distress and inconvenience Mr M has suffered.

Mr M also says that Santander should have waived the charges while his complaint was being investigated. However, I agree with the adjudicator that there is no obligation on Santander to do this.

my final decision

My decision is that I do not uphold this complaint.

Alison Cribbs
ombudsman