

complaint

Mr H, who was represented by advisors, complained that Santander UK Plc pressured him into applying for a credit card, which caused him to fall into debt. He would like all debts written off and compensation for his trouble and upset.

background

Mr H applied for a credit card with Santander, after a discussion at his usual branch. He said he was told he could use the credit card for shopping, and his existing current account card for cash withdrawals, and that the money for the credit card would come out of his current account.

Mr H used his new card and he took out cash from it, as well as doing shopping with it. For example, in January 2013, he took out £300 on five consecutive days. He also continued to use his current account.

Santander had set up a direct debit for Mr H, so the monthly payment due on his credit card would come out of his current account. But there wasn't enough money in that account to pay what was due on his credit card.

Mr H complained to Santander when he started to receive letters demanding payment. He said he hadn't been told how a credit card worked and it had been mis-sold to him. The bank said it couldn't write the debts off, because Mr H had used both accounts for shopping and cash, but it froze Mr H's account so no further charges would build up. Mr H wasn't happy and complained to us.

Following our adjudicator's involvement, Santander offered to refund all interest and charges applied to his credit card, which totalled £639.06. But it said the account hadn't been mis-sold. Mr H was well-known to the branch and had previously opened accounts there.

Staff at the branch had no concerns about Mr H's understanding of the new card, and he'd been provided with information about his right to change his mind within 14 days. He'd had the benefit of the funds he had used, and would have to repay them.

The adjudicator's view was that Santander's offer to refund all the fees and charges, totalling £639.06, was fair and reasonable. Mr H didn't agree. He said he was retired and it was irresponsible of Santander to give him a card, and that he was more at risk of being sick and getting into debt. He said it wasn't acceptable to provide a person of his age with a small print document, and he'd been forced to take out the card under duress. Mr H also wanted other fees refunded on his overdrawn current account.

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 find that Santander wasn't at fault when it offered Mr H the credit card. It had no reason to think that he was incapable of understanding how accounts worked, and that any money or shopping he spent would have to be paid for. He already had a current account which he'd operated within his overdraft limit, and also a savings account.

I don't agree with Mr H's statement that because he was retired, Santander was irresponsible to give him a credit card. This service doesn't interfere with how a bank decides whether or not a customer can have a credit card, but I'd expect that decision to be based on financial facts and not on a person's age.

Mr H had the chance to change his mind and cancel the card, and once he'd got it, he had a choice about whether to use it. Santander didn't force him to spend money at the levels he did, and he had the use of the money, so I can't agree with Mr H's request that all his debts should be written off.

When he replied to the adjudicator's view, Mr H also asked for the bank to refund unpaid transaction fees on his current account, and the costs of an insurance policy which he said was mis-sold.

I can't deal with the insurance policy, because it's a separate complaint which Mr H hadn't raised with the bank before. If he wants to complain about that, he'll need to write separately to Santander and start the complaint process with the bank. I can deal with the fees debited to his current account when there wasn't enough there to pay the credit card direct debit.

Mr H knew that his credit card payment was going to come out of his current account, so I might have expected Mr H to realise that he had to keep enough money in there ready for the direct debit. Santander sent him statements on the credit card in advance of the direct debit, so he'd have known how much was due. So I don't find that Santander did anything wrong and I don't award Mr H the fees on his current account.

I find that Santander's offer to refund the credit card interest and charges is more than fair and reasonable, and more than I would have awarded.

my final decision

My final decision is that I do not uphold this complaint. I leave it to Mr H to decide whether or not to accept Santander's offer of a refund of £639.06 interest and fees on his credit card.

Belinda Knight
ombudsman