

## **complaint**

Mr B complains about how Santander UK plc managed his account after he switched to another bank.

## **our initial conclusions**

Our adjudicator recommended the complaint should be upheld. She thought Mr B could have done more to lessen the amount owed, but that Santander should have defaulted his account sooner. She asked Santander to refund charges and interest applied from six months after Mr B last used the account and backdate the default.

Santander disagreed. It says Mr B knew the account was in arrears and it can't backdate a default because it doesn't follow its collections process.

## **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr B and Santander have provided.

It isn't disputed Mr B used his Santander account after he switched and received statements showing it was overdrawn. As a result, I find he could have done more to limit the amount he owes. But Santander didn't default the account until two years after it was dormant and Mr B last used it. As a responsible lender it should have acted sooner; even if its Collections Department didn't know Mr B's address. I find six months was a reasonable period to alert Santander that a default should have been applied.

Most of the overdraft is due to a standing order paid from Mr B's Santander account after he switched. I don't know why this was paid, but it didn't cause him a loss as the payee refunded it to his new account. The rest of the overdraft is a result of fees and charges. If Santander had acted sooner these would have been much less.

**My decision is that I uphold this complaint and order Santander UK plc to backdate the default to 1 April 2012 and refund all fees and charges applied after that date.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr B either to accept or reject my decision before 1 May 2014.**

*Michael Ranaghan*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

### **ombudsman notes**

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.