

## **complaint**

Mr K complains about Santander UK Plc charging him for an unpaid direct debit.

## **background**

Mr K set up a direct debit to pay one of his bills, he'd asked for it to be taken out on a specific day of each month. The bill provider asked for the direct debit early, at a time when Mr K didn't have enough funds to pay for it. This meant he was charged a £10 fee by Santander.

Mr K complained to Santander, he said he felt the charge was unfair and it was taken unlawfully. He said he wasn't notified of the charge and it was taken many weeks later. Mr K wanted the charge refunded.

Santander said its charges are set out in the account terms and it didn't think it had done anything wrong. It said Mr K needed to complain directly to the bill provider, because it couldn't control what date they collected the direct debit.

Our investigator looked into the complaint, he thought the charge had been correctly applied and didn't find that Santander had made any mistake. Mr K disagreed he said he didn't think the charge was right as the direct debit was collected on the wrong date.

The complaint has come to me to consider.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

A direct debit instruction gives a bill provider permission to apply for a payment directly from its customer's account. The date the direct debit should be taken is also a separate agreement between the bill provider and their customer. In this case, the bill provider collected the direct debit early. Santander didn't have any influence over this and, because of this I don't think Santander did anything wrong here by dealing with the payment request in its normal way.

Banks are allowed to charge customers if their account isn't being used in line with the agreed limits. In this case, Mr K didn't have an agreed overdraft on his account. On the date the direct debit was collected, Mr K didn't have enough money to pay it, so Santander returned it "unpaid" to the bill provider.

The terms and conditions on Mr K's account say that Santander can charge customers a fee for each unpaid transaction, in this case £10. It also says he'll be notified before the charge is taken. From looking at Mr K's bank statements, I can see the charge has been applied in line with Santander's terms and conditions. Mr K was notified of the charge on his March account statement and it was taken out in April. As the charge has been correctly applied, I haven't found grounds to tell Santander to refund it. Mr K was also made aware of the charge and it was taken out in a timely manner.

Mr K has said he didn't get the separate letter Santander sent him telling him about the charge. Santander has sent me a copy of the letter it says it sent to Mr K, I have no reason to doubt it was sent. The letter is correctly addressed to Mr K so I can't see any reason why he wouldn't have received it. Even if he didn't receive it, I don't think this would mean the charge shouldn't apply.

I can appreciate Mr K's frustration with the situation he has found himself in, but I haven't found that Santander did anything wrong here or it applied the charge incorrectly. Should Mr K remain unhappy about the issue he could speak directly to his bill provider as suggested by the investigator.

**my final decision**

I don't uphold Mr K's complaint against Santander UK plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 September 2019.

Alison Gore  
**ombudsman**