

## **complaint**

Mr B complains that Santander UK Plc applied charges to his account for direct debits which were processed when there wasn't enough money in the account to pay them.

## **background**

Mr B held an Instant Plus Account with Santander. In October 2016 direct debits in favour of PayPal were returned due to lack of funds. Charges were applied to the account.

Mr B says that he told Santander that the direct debits had been requested in error by PayPal. He also says that he asked for an overdraft facility but the bank refused. Mr B says that he asked PayPal several times to cancel the direct debits but that they continued to be processed until February 2017, resulting in Mr B incurring further charges on his account.

The adjudicator did not recommend that the complaint should be upheld. She said that Santander had applied the charges in accordance with the terms and conditions of Mr B's account. She also said that the bank had provided information to Mr B to help him manage his financial situation.

Mr B didn't agree. He says that he asked PayPal to cancel the agreement but they failed to do so. He felt that Santander shouldn't have processed the direct debits under these circumstances.

## **my findings**

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

I've seen a copy of the terms and conditions of the account and I'm satisfied that these allow the bank to decline a direct debit if there are insufficient funds in the account to pay it.

The terms and conditions also say that the bank can impose a charge of £25 for each unpaid transaction up to a maximum of £95 per month. I've looked at the charges applied to Mr B's account and I can see that the bank have applied the cap.

The terms and conditions provide information on how to cancel a direct debit and also say "you must tell the person to whom the direct debit is payable."

When Mr B contacted Santander about PayPal he said that the payments had been taken in error. Santander agreed to cancel the charges which had been applied to Mr B's account in respect of unpaid transactions during November 2016.

I can see that the direct debit with PayPal had not been cancelled because the transactions continued until February 2017.

Mr B says that he spoke to PayPal on several occasions. I am not able to say why they didn't cancel the agreement but it appears that the error lies with them.

Mr B's statements show that Santander applied further charges in respect of unpaid transactions in January and February 2017. The bank's records show that Mr B instructed them to cancel the direct debit on 7 February 2017.

I appreciate Mr B's frustration that he has incurred charges. But I'm satisfied that Santander were entitled to impose these charges and that they cancelled the direct debit when Mr B instructed them to. I don't think that Santander are required to do anything more in the circumstances.

Mr B says that he asked Santander to give him an overdraft facility to minimise the impact of the direct debits. I can't oblige the bank to provide an overdraft facility. I can see that Santander provided Mr B with information that could help him avoid charges. They invited him to contact the Financial Assist team. They also refunded the charges which had been applied to his account in October 2016. In the circumstances I think that the bank have acted positively and sympathetically to Mr B.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 June 2017.

Emma Davy  
**ombudsman**