

## **complaint**

Mr C complains that Santander UK Plc applied unfair charges to his account so he wants them all to be refunded to him.

## **background**

Mr C says he wasn't told by the bank that there was going to be an increase in overdraft and account charges. So he's unhappy that the charges have been added to his account. He says he paid a monthly amount when he was in his overdraft thinking that it'd cover the charges. But because it wasn't covering this charge in full, he says he went further into debt and ended up owing the bank more each month than he thought.

Mr C's also unhappy with the way charges were added to his account in August 2013. He says nothing was added in July but a double charge was added in August.

Mr C says the Office of Fair Trading the charges are unfair contract terms. He's also said Santander has breached the law and the contract he had for his account. So he says he'll repay the balance he owes but not the interest and charges.

Santander says it told its customers about the increase in charges by including an insert within the statement. And it's sent us an example of this. Santander agrees it should've added the June 2013 charge to Mr C's account in July, instead of August 2013. But it says this doesn't mean it wasn't due and it hasn't had any negative effect on Mr C. In fact, he had one more month to pay it. Even so, Santander says its refunded £295 to Mr C in fees as a gesture of goodwill.

Mr C says it's possible the insert wasn't sent to him. And he asked Santander to give him audit trail reports relating to the machine used by the bank to do this and whether they have a log of any incidents of mechanical failure. He says Santander hasn't responded to this.

Our adjudicator looked at this matter and didn't uphold Mr C's complaint. He told Mr C that, in 2009, the Supreme Court issued a ruling on current account charges that bank charges can't be challenged on the basis they're unfair or too high. He also explained he thought:

- it's more likely that Santander did include an insert in Mr C's statement to tell him about the increase in charges.
- even if an insert hadn't been sent to Mr C, his monthly statements would've told him in advance about any charges that were going to be added to the account.
- he thought the charges were applied correctly to Mr C's account and in line with the terms and conditions of the account.
- this service takes the law into account but isn't bound by it.
- he didn't think Santander was obliged to refund any interest and charges even though it had refunded some.
- he felt the refund given to Mr C more than compensated him for the two fees charged in August which Mr C says he wasn't told about.

## **my findings**

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

happened, I've based my decision on what I think's most likely to have happened in light of the evidence.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. However, I've given careful consideration to all of the submissions made before arriving at my decision.

Having done so, I can see Mr C feels very strongly about this. But I'm afraid I have to tell him that I think the adjudicator's reached the right outcome here. Santander doesn't need to refund any further charges and interest added to Mr C's account. Indeed, there's very little I can add to what the adjudicator's already said to Mr C. I think he set out the position clearly and thoroughly.

The only point I'd make is that I agree with what Santander has said about the two charges added to Mr C's account in August 2013. One of those charges related to June and, even though it wasn't charged to him in the next statement (i.e. July 2013) that doesn't mean it couldn't be added to Mr C's account the following month. Also, I don't think Mr C suffered any detriment as a result of this – in fact he was paying interest on a slightly lower sum from July to August than he otherwise would've been.

I note that Mr C says he isn't obliged to discuss matters with any third parties, such as recovery agents. I don't agree with this. And I'd suggest Mr C makes contact with the relevant agency to make arrangements to repay this debt.

Finally, I understand that Mr C says he'll take this matter to court. But my decision brings to an end what we – in trying to resolve his dispute with Santander informally – can do for him. I'm sorry to disappoint Mr C.

### **my final decision**

For the reasons set out above, my final decision is that I don't uphold Mr C's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 February 2016.

Rebecca Ellis  
**ombudsman**