

complaint

Mr W says that Santander UK Plc (Santander) applied a default to his account unfairly and without warning.

background

Mr W held a credit card account with Santander. In 2013, he had a gap year abroad, and says he informed Santander about this before leaving. A couple of months after he'd left he went over his agreed credit limit by a small amount and began to incur charges. Ultimately, because the account wasn't brought back to within the credit limit, a default was applied to his account.

Mr W thinks that communication issues he had with Santander were at the root of his problems. For example, he says that while abroad he was locked-out of his online account. And this meant he wasn't able to monitor and manage it effectively.

Mr W says he received e-mails from Santander asking him to get in touch. But when he tried to call, it took a long time to get through. When he did manage to talk to someone, he said he was told about being over his approved account limit, but says the department he spoke to couldn't help him and he was cut-off.

Santander says that because Mr W took no action to put things right, it wrote and told him in January 2014 that if he didn't clear his unarranged overdraft it would apply a default to his account. But he says he never received this letter.

Mr W says he waited until he got back to the UK to sort things out. And he settled his account in 2016, after it was taken on by a debt management company.

Our investigator didn't uphold Mr W's complaint. He disagreed and so his case has come to me for a decision.

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 decided not to uphold Mr W's complaint. I'll explain why.

I've thought carefully about the two main aspects of Mr W's complaint. Did Santander act without taking reasonable steps to warn Mr W of the default? And has it acted fairly in applying it?

I accept that when Mr W was locked-out of his account this made it much harder for him to monitor and manage things. But there were several months between this happening and him eventually making contact with Santander. Ultimately, customers do have a personal responsibility to manage their accounts. And I'm satisfied Mr W knew this before going on his gap year, by virtue of the fact he's told us he informed Santander that he was going.

I accept that when Mr W tried to call Santander he found the process time-consuming. But when he got through to an adviser on 12 February 2014, he was then told about his unarranged overdraft. I appreciate he would've been frustrated because he says the department he got through to couldn't help him and he was then cut-off. But he told us that after this happened he then decided to wait until returning to the UK before trying to get things put right. This is where I think he made a mistake.

I believe Mr W when he says that it wasn't until he was back in the UK that he found out a default had been applied to his account. But I don't think that Santander can be held responsible for that. I've seen a copy of the letters it sent to him in January 2014 warning him that if he didn't clear his unapproved overdraft that it would apply a default. Mr W says he never received the letter, as he was abroad.

Before Mr W left for his gap year, he called Santander to inform it of his travel plans, and asked for a holiday flag to be added to his account. Although he said he was unsure of when he'd be returning, he didn't provide an alternative contact address.

Mr W told us that he did go into a branch of Santander at some point and asked to change his contact address to that of his parents. But there's no record of this happening, and he hasn't been able to show me any other correspondence from that time which was sent to this alternative address.

Overall, Mr W hasn't done enough to satisfy me that he took adequate steps to manage his account while he was abroad. I think he should've been in contact with Santander sooner after he'd been locked out of his account. And I don't think he should've waited until he got back to the UK to get to the bottom of the unapproved overdraft that he'd already been told about.

I can't fairly conclude that Santander sent the letters warning Mr W about the situation to the wrong address. It looks more likely that it sent the letters to the last address that Mr W had confirmed as correct, which in the absence of an alternative/new address, is what I'd have expected it to do.

Looking at the information I've seen, there's nothing to suggest that Santander has done anything wrong in relation to recording a default on Mr W's account. I know that he'll find this disappointing, but I can't fairly ask Santander to do remove the default.

my final decision

I'm not upholding Mr W's complaint for the reasons I've already set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 March 2017.

Kevin Williamson
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