

complaint

Miss A complains about charges applied to her account by Santander UK Plc. She would like it to refund charges and interest of £3,671.15.

background

Miss A says because of a drop in her income she fell into financial hardship. And as she did not have enough money in her account, items were returned unpaid and her income was consumed by charges. Miss A says she is not able to pay for necessities or pay her debts and is stuck in a cycle of charges - which are over £500 per year.

The bank says when Miss A initially contacted it in November 2012 it reversed £75 in fees as a goodwill gesture and told her how to prevent future fees.

After Miss A contacted it again in December 2013 it refunded £150 in fees and cancelled £125 pending charges in February 2014. But it told Miss A that any fees incurred after this date would apply. The bank says it provided details of how Miss A could manage her account, debt counselling organisations and contact details of its collections department. It says it has acted fairly and sympathetically.

The adjudicator did not recommend that this complaint should be upheld as she considered the charges were applied correctly and the bank had acted sympathetically once Miss A told it about her financial difficulties. And the November 2009 Supreme Court decision said bank charges could not be challenged because they were unfair or too high.

Miss A disagrees. She says her financial situation is getting worse and she is on a low income with a young child. She has cancelled some direct debits to minimise the charges, but if they were not applied she would have some money in her account. And due to the charges her account is overdrawn. She says she is fighting a losing battle, struggling and the situation is affecting her emotionally. And if the charges, at least for the last year were returned, she would not be in this position.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I come to the same conclusion as the adjudicator for broadly the same reasons.

Banks are not obliged to refund charges, but are required to treat customers in financial difficulties positively and sympathetically. Once the bank was aware of Miss A's financial difficulties it refunded and cancelled some fees and charges. It also provided details of organisations that could assist Miss A with her financial difficulties.

I understand Miss A is in financial difficulties and I appreciate my decision will come as a disappointment to her. But as the adjudicator explained, bank charges can't be challenged on the basis they are unfair or too high, even in cases of financial hardship. As the bank has assisted Miss A - and the charges and fees applied to her account are in line with the account's terms and conditions - I am unable to require the bank to refund them now.

my final decision

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

**Naseem Malik
ombudsman**