

The complaint

Miss M complains Santander UK Plc unfairly defaulted her account.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

What I've decided – and why

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

Having considered everything, I've reached the same conclusions as our Investigator, for these reasons:

- Miss M held a current account with Santander, and this had an arranged overdraft facility. But in July 2022, Miss M exceeded her arranged overdraft limit and in turn was utilising an unarranged overdraft. So, Santander wrote to her about this and explained what she needed to do to bring her account up to date. While Miss M did pay some money into her account in August 2022, it wasn't enough to bring her back into her arranged overdraft limit. Because of this, Santander wrote to Miss M on two occasions in August 2022, asking her to clear the unarranged overdraft. But as no further payments were received, they wrote her in September 2022 explaining they'd removed her overdraft facility and she had to repay her full outstanding balance. Again, no payments were received from Miss M, so Santander continued to write to her asking for repayment. In December 2022, Santander issued a notice of default giving Miss M 14 days to repay her outstanding balance, but as this wasn't repaid, her account was defaulted in January 2023.
- Santander has sent us copies of Miss M's account history, so I have seen that she was utilising an unarranged overdraft and didn't make the necessary repayments to bring her account up to date. In such circumstances I would expect a bank to reach out to their customer about the status of their account and offer support. And having reviewed copies of the letters and emails Santander sent to Miss M, I'm satisfied they did that. As such they gave her the opportunity to rectify things before they decided to remove her overdraft and subsequently default her account.
- Overdrafts are designed to be a short-term measure, so Santander was obligated to make sure Miss M wasn't reliant on it. But when Miss M didn't bring her account up to date, they acted in line with their terms and conditions and removed the overdraft facility. And I should add, it isn't an unusual term for an overdraft to become immediately repayable.
- I've not seen any evidence to suggest Miss M didn't receive a copy of the terms and conditions of her account. So, while Miss M has told us she didn't understand how her overdraft worked, I do think she could have discussed this with Santander sooner

if that was the case. As such, I don't consider that's a reason to conclude she's been treated unfairly.

- I'm also aware Miss M said she didn't have access to online banking, and that she wasn't living at the address the letters were sent to. Ultimately, it was Miss M's responsibility to let Santander know if she needed access to online banking but was having difficulties with it. It was also her responsibility to ensure Santander had an up-to-date address for her. Santander has demonstrated they did all they could to correspond with Miss M by letter and email about her account – using the details they held for her. And in the absence of evidence to show she made Santander aware she wanted access to online banking and/or that her address had changed (before her account was defaulted), I can't fairly hold Santander responsible for Miss M being unaware of the status of her account. So, again, I do not think Santander acted unreasonably when they defaulted her account when they did.
- Miss M has asked Santander if they're prepared to remove the default if she pays her outstanding balance. However, Santander has confirmed this isn't something they're prepared to do because they're obligated to report accurate information to credit referencing agencies. Given I'm persuaded Santander didn't act unfairly in defaulting Miss M's account, I cannot reasonably ask them to remove the default.

I know this isn't the outcome Miss M hoped for. But for the reasons above, I'm not upholding her complaint.

My final decision

My final decision is that I'm upholding Miss M's complaint about Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 23 February 2024.

Sarrah Turay
Ombudsman