

The complaint

Mr D complains he never received notice from Santander UK Plc ("Santander") about the status of his account as he wasn't staying at the address Santander was sending letters to. He says it was unfair to register a default on his account in these circumstances and that Santander should've done more to contact him. Mr D would like the default removed from his credit file.

What happened

Mr D held a student account with Santander with an arranged overdraft facility of £1,200. The terms and conditions stipulate Mr D make regular credits into the account.

In February 2021 Mr D's account was overdrawn by over £1,000 and hadn't received any credits in around four months. As Mr D had failed to fund the account as per the terms and conditions of the account Santander's transferred Mr D's account to its financial support team and wrote to Mr D about this on numerous occasions at the address it had registered for him about the status of his account. The letters informed Mr D that he needed to make regular payments to the account and that if he could not make these payments to contact Santander for help.

Following no credits being made and no response from Mr D, Santander sent a letter informing Mr D on 21 June 2021 regarding the outstanding balance on his account and that if he doesn't repay this immediately or get in touch, it will inform the credit reference agencies ("CRAs") that he has defaulted on his account.

This was followed up with a letter on 14 July 2021 informing Mr D that he had 28 days to settle his overdraft debt or agree a repayment plan before it lets the CRAs know he has defaulted on his account and what that means for him.

Mr D failed to respond and Santander defaulted the account and registered this with the CRAs in August 2021. Having found out about the debt Mr D paid the outstanding balance in full on 5 October 2021.

Mr D complained to Santander that he never received the letters as his address was not up to date with it and that it failed to use other means of communicating with him. Santander says no error was made as it wrote numerous letters to the account it had registered for him advising about the status of the account and what was to happen and that it was Mr D's responsibility to update it of his address for correspondence.

One of our adjudicators looked into Mr D's concerns and reached the conclusion that Santander sent numerous letters to the correct last known address for Mr D and didn't do anything wrong in not using an alternative means of communication for Mr D as it wasn't obliged to do so. Furthermore, when Mr D didn't respond they didn't think it unreasonable for Santander to default the account and register this with the CRAs.

Mr D says he never received any letters regarding the status of his account as the address Santander had registered for him was his student address. Mr D says he paid back the

outstanding amount on his overdraft as soon as he was contacted by the debt collectors. He says he would've paid back his overdraft in time had Santander contacted him by other means such as email and has asked for an ombudsman's 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.

My role is to look at the problems Mr D has experienced and see if Santander has done anything wrong or treated Mr D unfairly. If it has, I would seek – if possible - to put Mr D back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

Mr D's main complaint point is that it was unfair Santander registered a default on his credit file when he hadn't received notice of this. He says had he known what was to happen he'd have paid the balance straight away as he did when he was contacted by debt collectors.

So the question I have to ask is whether Santander did anything wrong in removing Mr D's overdraft and banking facilities or in the processes it followed when doing this - in particular, notifying him of the actions it intended to take by letter rather than by other means and registering a default when he didn't pay back the outstanding balance of his overdraft in the required time.

And I'm in agreement with our adjudicator that there was no requirement that Santander should use alternative communication methods to notify Mr D about the status of his account and the actions it was taking. I accept that during the period in question Mr D wasn't living at the registered address Santander had for him. And I understand that updating his address mightn't have been a priority for Mr D, but ultimately the responsibility of this was his. And I don't think it would be fair to find Santander at fault for writing to Mr D at the address it had registered for him rather than using an alternative means of communication which it was under no obligation to do.

So I don't think Santander acted unfairly when after writing to Mr D about the status of his account on numerous occasions, over a number of months and having no response it took the decision to withdraw his overdraft which resulted in a default being registered on Mr D's credit file. I understand that Mr D is concerned about the impact this has had on his credit report, but Santander has a duty to make sure the information it reports on its customers affairs to the credit reference agencies it subscribes to is factually accurate – and what was reported is as far as I'm aware a true reflection of what happened.

It might assist Mr D to know that he can place a 'Notice of Correction' on his credit record. The purpose of such a notice is to allow someone the opportunity to add any explanatory circumstances that they would like prospective lenders to take into consideration when making lending decisions. If he wishes to do this, he should contact CRAs directly.

So overall and having considered everything I do not uphold Mr D's complaint as I don't think Santander has done anything wrong or treated Mr D unfairly.

My final decision

For the reasons I've explained I do not uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 4 September 2023.

Caroline Davies
Ombudsman