

The complaint

Mr R complains Santander UK Plc made an error on his credit card account leading to a charge he didn't recognise. They've then continued charging him interest and fees which he thinks is unfair.

What happened

Mr R received his September 2022 statement and paid £324.57 towards it. In his October 2022 statement he saw he'd been charged £7.37 in what he assumed was an error by Santander. So, he complained to Santander and not having received a reply, complained several more times. Mr R said he didn't get a reply until when he was abroad – sometime between end of January and the middle of February 2023 – and in the meantime Santander continued to add late fees and charges.

In a letter dated 7 October 2022 Santander said the full amount of the statement was actually £342.57 – not the £324.57 Mr R had paid. They said this meant interest had been charged, and although Santander hadn't made an error, they chose to waive this £7.37.

Mr R had continued to contact Santander, as he said he hadn't received this letter – and charges continued to accrue on his account.

In a response of 12 April 2023 Santander decided not to refund any further charges or interest, explaining any interest charged since October isn't interest on interest. They said Mr R hadn't made payments to his account in January or February 2023. Santander added they'd reviewed each month since October 2022, and found outstanding balances are left at the end of each month – meaning legitimate interest is being charged. And, in months where payments weren't made, fees have then been added.

Unhappy with this Mr R asked us to look into things. He let us know he wanted to move home but was now concerned about missed payments showing on his credit file and asked for these to be removed. He also asked for the charges to be removed, compensation, the case handler's conduct to be reviewed and an apology.

One of our Investigators considered things, but found overall Santander hadn't done anything wrong, so she wouldn't be asking them to take any of the actions Mr R mentioned.

Mr R didn't accept this. He said the charges were in dispute, Santander should have made sure he accepted the outcome, and it wasn't right for them to have added charges when he'd acted in good faith at all times. As Mr R didn't accept our Investigator's outcome the complaint's been passed to me to decide.

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.

It's clear this situation has caused Mr R some frustration. I do though need to make it clear I can only require Santander to take the actions Mr R has asked for, if I find they've made the error leading to these losses. In this case, Mr R now accepts he made a mistake in paying his credit card bill in September 2022. So, I don't need to consider that.

Instead, I need to consider whether Santander have treated Mr R fairly in continuing to apply interest and charges when Mr R says the amount owed was in dispute.

Mr R says he didn't get the letter dated 7 October 2022. I've seen no reason to disbelieve him on this point. So, I'll accept he didn't get this letter – as he says, otherwise why would he have continued to write to Santander asking for an explanation of the charge.

Why the letter was delivered so late to him I can't say, but I've seen no reason to think Santander sent the letter late. So, from Santander's point of view the amount was no longer in dispute – because they'd answered the complaint.

Crucially, this also means I can't say Santander did anything wrong in notifying Mr R about the reason for the charge – nor was there any delay on their part in doing so. I appreciate Mr R didn't get the notification for some time, but I can't say this was Santander's fault. In addition, the terms and conditions of Mr R's credit card account – as with every credit card account – will require payments to be made. Mr R has told us he chose to withhold those payments because the amount was still in dispute.

On this point I think Mr R has been the architect of his own misfortune. Even if the account is in dispute the contractual terms and conditions require customers to make payments towards their credit card account. So, in circumstances where a customer chooses to withhold those contractually required payments – and the financial business applies fees, interest, charges and reports missed payments to the CRA's – we wouldn't generally say they'd be doing anything wrong as a result.

Mr R withheld his payments – and Santander have applied interest and charges because of this as well as saying they've reported this information to the CRA's. In the circumstances, I can't say they've done anything wrong.

I have noted in Mr R's letter dated 2 October 2023 he says he acted in good faith at all times and thinks he's being penalised unfairly. Overall, I'd have to find Santander did something wrong in order to uphold this complaint – and I haven't seen they have.

My final decision

For the reasons I've explained I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 December 2023.

Jon Pearce
Ombudsman