

## **The complaint**

Miss N is unhappy that Santander UK Plc defaulted her account.

## **What happened**

In July 2022, Santander wrote to Miss N because the balance of her account was over the £700 agreed overdraft limit. Miss N didn't contact Santander in response to that letter and she didn't make a payment to bring the balance of her account within the agreed limit.

Santander sent further letters to Miss N in August 2022. But again, Miss N didn't respond and didn't make any payment towards the account. So, in September 2022, Santander withdrew Miss N's overdraft facility. This meant the full overdraw balance needed to be repaid. Santander sent further letters to Miss N about this in September and October 2022.

On 10 October 2022, Miss N contacted Santander and promised to pay off the overdraft balance in full when she got paid at the end of the month. But Miss N didn't make any payment towards the account at the end of October, and she didn't respond to the letters that Santander continued to send to her about her account balance. So, in December 2022, Santander sent a default notice to Miss N. And, in February 2023 when Miss N didn't respond to that notice or make a payment towards the account, they defaulted her account.

Miss N wasn't happy about this, especially as the Santander agent whom she spoke with said that if she didn't clear the overdrawn balance on her account that no action would be taken. Miss N also noted that she'd moved house and so hadn't received any of the letters that Santander had sent her, including the default notice. So, she raised a complaint.

Santander responded and explained that they didn't think they'd done anything wrong by following the process that they had which had resulted in the defaulting of the account. Miss N wasn't satisfied with Santander's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Santander had acted unfairly in how they'd managed the situation so didn't uphold the complaint. Miss N remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Miss N has said that the Santander agent she spoke with in October 2022 told her that there would be no adverse consequence for her if she didn't repay the overdrawn balance of her account. I've listened to a recording of this call, and at no point was Miss N told that there would be no action taken against her, or no adverse consequences for her, if she didn't pay off the overdrawn balance.

There was some confusion at one point during the call as to whether interest was still being charged on the account or not. But Santander's agent did explain to Miss N that her current

balance was £759.71, and that her account balance at the end of the month – when Miss N confirmed that she would be pay off the account balance in full – would be £770.17, following the next accrual of interest. And the £770.17 figure given to Miss N was the correct balance of the account at the end of October 2022.

But Miss N didn't make the payment of £770.17 by the end of October 2022 as she'd promised. Indeed, she didn't make any payment towards the account before it was defaulted by Santander in February 2023. And Miss N didn't speak with Santander again following the October 2022 call until March 2023, which was five months later and after the account had been defaulted by Santander the previous month.

On the October call, it was confirmed to Miss N that her overdraft facility had been withdrawn and that the full balance of the account was due. And, given that Miss N subsequently made no payment to Santander and didn't contact them about the overdrawn account, I'm satisfied that it was fair and reasonable for Santander to follow the account arrears process they did that culminated in the issuance of a default notice in December 2022 and the defaulting of the account in February 2023.

Miss N has explained that she had moved house and hadn't updated her address with Santander, meaning that she wasn't receiving the letters that Santander were sending her about the account. But it was Miss N's responsibility as the account holder to have updated her address with Santander or in the absence of letters to have monitored the status of her account via other channels while they were available to her.

And while Santander's agent on the October 2022 call didn't press Miss N for further details of her new address when Miss N mentioned that she'd moved house on that call, Miss N didn't ask for her address to be updated herself. And, as explained, she also didn't update her address with Santander at any time during the many months that her account was in an unauthorised overdraft position.

All of which means that I don't feel that Santander have done anything wrong or acted unfairly here. Miss N didn't keep the balance of her account within the agreed overdraft limit and she didn't monitor the ongoing account status or update her address with Santander as per her responsibilities as an account holder. Most importantly, Miss H didn't make any payments to reduce the balance of her account from June 2022, when she made a payment of £45, until February 2023, when the account was fairly defaulted by Santander.

It follows therefore that I won't be upholding this complaint or instructing Santander to take any further action. I hope that Miss N will understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 2 November 2023.

Paul Cooper  
**Ombudsman**