

The complaint

Mr S is unhappy because his overdraft facility on his account with Santander UK Plc was reduced and then removed.

What happened

Mr S holds an account with Santander. The account had an overdraft facility which was reduced to £200 and then removed.

Mr S complained to Santander. He said he didn't want the overdraft facility removed because as a disabled person it was essential for him to have the facility in case of emergencies.

Santander didn't uphold the complaint. It said it had followed the correct process to reduce and remove the overdraft facility.

Mr S remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said that the terms and conditions of the account allowed Santander to remove the overdraft facility. The investigator said that Santander had taken a commercial decision to remove the overdraft, and this wasn't a decision that this service could interfere with. The investigator said he hadn't seen anything to suggest that Santander had acted unfairly or unreasonably.

Mr S didn't agree. He said he felt that he'd been discriminated against and said he wanted his overdraft facility reinstated.

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.

I've reviewed the terms and conditions applicable to Mr S's account. These say – at section 7.4(b) - that Santander can change an overdraft facility, or require a customer to repay the overdraft, or remove an overdraft facility at any time. There's no requirement for Santander to give notice of any changes but in this case, I can see that Santander wrote to Mr S to provide him with advance notice that his £200 overdraft was due to be removed.

I appreciate that Mr S didn't want the overdraft facility to be removed. However, I'm unable to say that Santander has acted unfairly or unreasonably by removing the overdraft, because the terms and conditions allow it to do this.

It's up to Santander whether it provides customers with an overdraft facility. The removal of an overdraft facility is a commercial decision which Santander is allowed to take. It isn't a decision that this service can interfere with or ask Santander to reverse. This service can only look at whether Santander treated Mr S fairly and reasonably when it took the decision to remove the overdraft facility from his account.

Santander isn't obliged to provide a reason for its decision. However, I can see that in this case, Santander explained to Mr S that it took the decision to remove his overdraft as a result of adverse information from Mr S's credit file which had been shared with Santander. Santander explained to Mr S that the decision had been taken on a financial basis, and not for any other reason.

Mr S has said that he feels that he's been discriminated against. I've reviewed the information provided by Santander to see whether they treated Mr S fairly and reasonably when it removed the overdraft facility. I've had regard to the Equality Act 2010 as part of my review.

Having reviewed everything, I don't think Santander treated Mr S unfairly or unreasonably. I haven't seen anything to suggest that Santander treated Mr S any differently to any other customer. I've considered the point that Mr S makes about needing the overdraft for emergencies, and I understand why he wants it reinstated to provide a safety net. However, as I've said above, Santander took the decision to remove the overdraft on a financial basis, having regard to the information being reported by the credit reference agencies.

In conclusion, I'm unable to say that Santander treated Mr S unfairly or unreasonably when it removed the overdraft facility.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 January 2024.

Emma Davy
Ombudsman