

The complaint

Ms J has complained about the charges she says were applied to her account with Santander UK Plc when she withdrew money from ATMs overseas.

What happened

I have previously issued a provisional decision regarding this complaint. The following represents excerpts from my provisional decision, outlining the background to this complaint and my provisional findings, and forms part of this final decision:

“Ms J says that she opened her account with Santander because she was about to go travelling, and the bank’s literature stated that for the countries of the world she was visiting, cash withdrawals at Santander branded ATMs would not apply a charge. In early 2023, Ms J visited a country (which I will call ‘country A’) and used her card in ATMs for the first time abroad, and no fees were deducted. However, later in the year when she travelled to a different country (which I will call ‘country B’), using a Santander branded ATM for the first time to withdraw cash led to a charge in the local currency (equivalent to £1.59).

Ms J complained to Santander about the charge. It responded to her that it had “not charged you the normal 2.95% rate for foreign withdrawals as this would appear as a separate charge on your statement.” It also drew a distinction between Santander and Banco de Santander, stating that these are different entities, and that Santander was not responsible for fees/conversion fees applied by “the merchant”. Santander said that it had not charged Ms J for the ATM withdrawal. But as a gesture of goodwill, it refunded £1.59 to Ms J’s account.

Unhappy with Santander’s stance, Ms J brought a complaint to this service. She commented that Santander’s website stated that its customers would not be charged for using their debit cards in Santander cash machines abroad, and that these machines could be found in a number of countries, including country A and country B. Ms J had used Santander’s ATM branch locator tool for country B, and this had led her to Banco Santander ATMs. But as she continued her travels, she said the Banco Santander ATMs the locator tool found for her charged her when she took out the local currency on her card.

Ms J highlighted that the ATMs she had used in country A were also Banco Santander machines, but she had not been charged using these. She noted that when she had raised her concerns with Santander, it had suggested that she could visit a Santander group bank branch in country B and inform the staff about the charges to see if this was an error on its part. Her response was that this was a situation which should reasonably be rectified by the Santander group, rather than her as an individual customer.

Our investigator did not uphold this complaint, suggesting that Santander had acted in accordance with the account terms.

Ms J did not agree with the investigator’s findings. She highlighted the wording on Santander’s website in relation to fees and charges abroad for debit cards, where it states: “We won’t charge you when you use your personal debit card to make withdrawals at

Santander cash machines abroad.” The website then confirms that Santander cash machines are in various countries, including countries A and B. Ms J said that it was misleading of Santander to state cash withdrawals are free in country B.

Ms J highlighted that Santander’s branch locator tool directed customers to Banco Santander ATMs, but did not explain that these are not Santander UK ATMs, and that Banco Santander may charge a fee on cash withdrawals. She provided photos from a bank in country B that the branch locator tool had found for her. When she had withdrawn cash from here, Ms J had been charged. The name outside the bank was Santander, and the bank name shown on the ATM screen was also Santander. Ms J commented that there was no indication that the bank/ATM was not the same entity as Santander UK. She said that the impression given by Santander’s literature was that Santander branded ATMs in country B would make no charge at all for cash withdrawals.

Ms J highlighted correspondence she had had with Santander when she raised her complaint, in which one of the bank’s staff had said “I agree you are using an ATM which is part of the Santander group [and] therefore they should not be applying charges.” She reiterated that earlier in 2023, she was not charged for using Banco Santander ATMs in country A. Ms J also attached a press article from 2019 relating to charges reportedly applied to ATM withdrawals made at that time when customers used machines in country A that were owned by a bank that had recently been taken over by Santander. Ms J said that Santander had rectified that situation in country A, and she questioned why it couldn’t apply a similar approach to the situation she had experienced in country B, where she had been charged by a part of the Santander group.

This complaint has since been passed to me so that I may issue a decision on this matter. I asked Santander for its comments regarding the wording on its website relating to fees and charges abroad for debit cards that Ms J had highlighted. Santander responded by providing an excerpt from its fee information dated February 2023. It stated that this confirms that there are no fees for making a withdrawal at an ATM overseas using a debit card, but that there are applicable fees relating to foreign currency conversion. It said: “As such fees were applied correctly to [Ms J’s] account.”

What I’ve provisionally 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.

Ms J has provided copies of the ATM slips that detail her cash withdrawals. These show that she was taking out money in country B in the local currency, and that an additional charge was being applied. I need to consider whether it is fair for Ms J to bear the cost of that charge, taking into account the information Santander provided to her before she went on her trip, and also considering Santander’s explanation for that charge.

Santander’s response to Ms J’s complaint in its letter dated 22 May 2023 stated that if a charge for foreign withdrawals of 2.95% had been applied to her ATM transactions in country B, this would have appeared on her bank statement as a separate debit. I would agree with Santander that Ms J’s bank statement does not show such a separate charge. In this letter, Santander commented that it had not charged Ms J for the withdrawals, and as such it stated that it had adhered to its agreement with her. As noted above, Santander said that it was not responsible for any fees applied by the ‘merchant’. My reading of this letter is that Santander considered Banco de Santander to be the ‘merchant’ applying this charge, rather than Santander UK, and that as Ms J’s bank, Santander UK was stating it was not responsible for that charge.

Santander's response to my recent question to it about the information showing on its website regarding overseas' ATM withdrawals was to state that Ms J would have been subject to a foreign currency conversion fee when using an ATM. Santander has forwarded an information sheet from February 2023 that shows a fee of 2.95% when using a debit card. Santander now appears to be saying that it, rather than a merchant/Banco de Santander, is applying this fee. But that contradicts its May 2023 letter above, where it stated that it had not charged Ms J for the ATM transaction, and that the charge has been made by another entity.

In my view therefore, Santander's communications regarding the charge have not been clear. In addition, although it has recently referenced a foreign currency conversion fee of 2.95%, looking at the actual ATM slips Ms J has provided, the charge shown is not equivalent to 2.95% of the cash withdrawn. On balance, my current view is that Santander has not shown that the fees Ms J is unhappy about are a result of a 2.95% foreign currency conversion charge.

Further to this, I have considered the information that Ms J has identified on Santander's website, and that she says led her to apply for a bank account with it. In relation to fees and charges applicable when using a debit card overseas, for ATM withdrawals the foreign currency conversion fee of 2.95% is shown, but with an asterisk next to it. The notes for the asterisk explain that customers will not be charged when using their debit cards abroad at Santander ATMs. It confirms the eleven countries where there are Santander ATMs outside the UK, including countries A and B. Further down the page, under the 'Using your card abroad calculator', this information is repeated: "All main adult bank current accounts can benefit from fee-free cash machines withdrawals at Santander branded cash machines in...[the eleven previously listed countries]...when using a Santander personal debit card."

Ms J used ATMs found on Santander's branch locator tool. She has provided photos of one of the branches, and the ATM screen she was presented with. In my view the ATMs she was using in country B were clearly Santander branded. But she did not benefit from fee-free cash withdrawals, as confirmed on the ATM slips, despite the information Santander provided to her on its website.

Ms J says she made the decision to take out her Santander account due to the information the bank provided on its website regarding overseas' ATM withdrawals in the countries she was planning to travel to. But she has now been charged for withdrawals at ATMs in country B. On its website, Santander represented these withdrawals as being fee-free. Whether the fee has been applied by a merchant that is outside the Santander group, or an entity in the Santander group, my current view is that the information Santander provided to Ms J on its website regarding this matter was misleading.

Had the information been clear that fees would be charged at Santander branded ATMs in country B, my view is that it is likely Ms J would have sought to take out a bank account with another provider where she would not have been charged these fees. And on balance it appears to me that she would have been able to find such a bank account with another provider. Consequently I consider that Santander's misleading website information has caused Ms J a loss, and it is therefore reasonable that it should refund Ms J the ATM fees she incurred at these Santander branded ATMs. I understand these fees totalled £14.12.

In addition, my view is that Santander's misleading information on its website regarding ATMs in country B has caused Ms J unnecessary inconvenience. In order to establish why she'd been charged at the ATMs, she needed to contact Santander in the UK whilst she was travelling. She was also put to the inconvenience of locating specific Santander branded ATMs which ultimately did not result in her avoiding being charged for her cash withdrawals. And in my view it was unreasonably suggested to Ms J by Santander that she should speak

to the local Santander branches in country B in order to have the ATM fees returned to her, rather than Santander dealing with this matter. Overall I consider it fair that Santander pay Ms J £100 to reflect the difficulties it has caused her.”

Responses to my provisional decision

Ms J confirmed she agreed with my provisional decision.

Santander reiterated that it is a different entity to Banco Santander. It also stated that the accounts terms confirm that a customer will not be charged for cash withdrawals, but that there are separate charges for using a card overseas. It said it had provided a goodwill amount of £1.59 to cover this charge, but that Santander had not made an error.

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 acknowledge Santander's comments about it being a different entity to Banco Santander, and its referral to the account terms regarding charges. However as I explained in my provisional decision, Santander's website represented ATM cash withdrawals in country B as being fee-free. Ms J has demonstrated that she was charged for withdrawals at Santander branded ATMs in country B. My view remains that the information Santander provided to Ms J on its website about this was misleading.

Had Ms J been given clear information on this subject by Santander, my view is that it is likely she would have found a bank account with another provider which would not have charged these fees. I therefore consider it fair that the total £14.12 ATM fees be refunded by Santander to Ms J. And for the reasons explained in my provisional decision, I also consider that Santander should pay Ms J £100 compensation to reflect the difficulties it has caused her.

My final decision

My final decision is that I uphold this complaint, and require Santander UK Plc to reimburse Ms J £14.12 for ATM fees incurred, and pay her £100 to reflect inconvenience caused to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 12 June 2024.

John Swain
Ombudsman