

The complaint

Mr B complains about interest charged on his overdraft and that Santander UK plc (Santander) turned down a loan application to pay off his overdraft. He would like Santander to agree his loan application.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- In terms of the interest charged on Mr B's overdraft I can see that Santander wrote to advise him of this on 6 July 2023. The letter also advised that long term use of an overdraft could be expensive and suggested using income or savings to reduce any overdraft. I appreciate Mr B might not like the interest rate he was advised of. However he was advised of the rate and of ways of managing the overdraft.
- Mr B applied for a loan to pay off the amount of his overdraft that would incur the higher rate of interest but Santander declined this. I understand there was an issue with the reason for the loan being wrongly recorded but I haven't seen any evidence to show this was the reason the loan was declined
- Businesses' have a duty to lend responsibly, and as it seems Mr B didn't meet the necessary requirement for the loan, I don't think Santander were unreasonable in declining it. I have however noted that the application went to appeal so the initial decision was reviewed but the application was turned down. Ultimately who to lend to is a business decision for Santander to take, it's not a decision for us to interfere with. So, I can't reasonably ask Santander to agree Mr B's loan application
- Finally, I understand Mr B doesn't feel Santander has done enough to help him. I appreciate Mr B wanted to try to manage his overdraft – and applying for a loan was an option. In the letter advising of the interest charges Santander referred to various online tools Mr B could use to manage his finances. From the contact notes it seems Mr B had an appointment with a personal banker to discuss loan options and was given support in going through the loan appeal process. So, I think Santander has supported Mr B.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 February 2024.

Bridget Makins
Ombudsman