

The complaint

Mr and Mrs S complain that Santander UK Plc removed their overdraft facility without notice.

What happened

Mr and Mrs S were abroad and were unable to withdraw money from the cash machine. Mrs S called Santander and explained that they were abroad with no money. She says she was put through to someone who told her that the overdraft on her account would be extended to cover the additional amount needed to see them through the holiday.

The following day Mr and Mrs S discovered that the overdraft facility on their account had been removed. Mrs S called Santander and was advised that it had been removed in error.

On returning to the UK Mrs S went into her local branch. She says she was told to re-apply for the overdraft. The application was declined. In order to pay for food and outgoings, Mrs S took out a loan for £1000.

Mr and Mrs S complained to Santander. In its final response, Santander said it had credited the disputed ATM funds back to the account and had arranged for a temporary overdraft so that the funds could be accessed. It said the decision to remove the overdraft had been made as a result of a change to Mr and Mrs S's credit score.

Mr and Mrs S remained unhappy and complained to this service.

I issued a provisional decision in which I said that although there was no dispute that Santander had the right to remove the overdraft facility, the issue here was whether it was reasonable for Santander to have done so without giving reasonable notice.

I asked Santander to provide details about the amount of notice it had given to Mr and Mrs S about the removal of the overdraft. No response was received.

I said that on the basis that no notice was given, I didn't think it was reasonable for Santander to have removed the overdraft. I said that even if it was correct that the overdraft was removed because of a change in credit score, I hadn't seen anything to persuade me that a change in credit score warranted an immediate without notice removal of the overdraft.

I said that I didn't think Santander had treated Mr and Mrs S fairly and recommended compensation of £200 for the distress and inconvenience caused.

I invited both parties to let me have any further evidence or arguments they wished to raise.

Santander didn't respond. Mr and Mrs S replied and said they accepted my provisional 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.

Santander didn't respond to my provisional decision and Mr and Mrs S have accepted it. In the circumstances I see no reason to reach a different conclusion to that which I've reached in my provisional decision.

Putting things right

To put things right Santander must pay compensation of £200 to Mr and Mrs S.

My final decision

I uphold the complaint. Santander UK Plc must pay compensation of £200 to Mr and Mrs S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 28 March 2024.

Emma Davy
Ombudsman