

The complaint

Mrs E complained because Santander UK Plc blocked her account, and then closed it.

What happened

Mrs E had a Santander account which she used just for receipt of social security payments. The normal pattern on the account was that the benefits went in, then in the next few days Mrs E took all the money out, usually in cash. There wasn't any other spend on the account.

On 20 June 2019 the first of several much larger credits went into Mrs E's account. The first was for £8,500.15. Santander rang Mrs E to tell her that it was doing a review of her account, and there would be a temporary block on her account. It told Mrs E that if she wanted to take money out, she'd need to go to a branch.

Mrs E went to a Santander branch the same day. She was told again that she could take out her benefit payments in the branch, and she'd be contacted in due course about the review of her account.

Mrs E rang Santander again later that day, but got the same answer. Mrs E's daughter rang a few days later, saying Mrs E had expected the restrictions to have been removed the previous Thursday, and had also been waiting for a call. She complained on her mother's behalf.

On 27 June, Santander took a decision that it was going to close Mrs E's account. It wrote to Mrs E to tell her, saying that it used different sources of information to help protect customers from fraud, and a number of factors were taken into account when deciding the outcome of an investigation. Santander said that after a review, it was withdrawing all banking facilities from Mrs E with immediate effect. Her account would be blocked immediately and closed in 30 days' time.

Mrs E complained.

Santander didn't uphold Mrs E's complaint. It said that after reviewing Mrs E's account, it had exercised its right to withdraw banking facilities. It suggested that Mrs E might wish to obtain her information from the fraud prevention organisation CIFAS. Santander also said that she could go to a branch and withdraw the benefits payments which had been paid into her account by Bank Giro Credit. It apologised if this hadn't been communicated correctly and sent Mrs E a cheque for £50 as a gesture of goodwill.

Mrs E wasn't satisfied and complained to this service. She was unhappy that Santander had closed her account. She said she'd contacted CIFAS as Santander had suggested. This had shown that an account had been opened in her name with another bank, which she said had been opened fraudulently.

Our investigator didn't uphold Mrs E's complaint. He couldn't see that Mrs E had received any poor service from Santander, and nor had she been told the restrictions would be

removed. He also said that Santander had closed Mrs E's account in line with the terms and conditions.

Mrs E wasn't satisfied. Represented by her daughter, she said:

- £50 didn't cover all the stress and costs she'd suffered because of Santander closing the account;
- The large credits that had been paid into her account had been backdated benefits and now she had nowhere safe to keep that money;
- She wanted to know why Santander had closed her account and wouldn't let her open another;
- she couldn't cash Santander's £50 cheque because she didn't have another bank account.

The investigator arranged for Santander to pay the £50 compensation by bank transfer to Mrs E's daughter's bank account, instead of the cheque it had issued. But he didn't change his view of the outcome. Mrs E asked for an ombudsman 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's closure of Mrs E's account

When customers open an account, they agree to the terms and conditions of the account. These set the rules for what can happen later. I've looked at the terms and conditions for Mrs E's account. Section 17.2 says "you or we may close your account at any time by giving the other notice without giving any reason." This means Santander was entitled to close Mrs E's account – and it didn't have to tell her the reason.

Santander also gave Mrs E the necessary 30 days' notice of closing her account. So I find that Santander didn't break any of the rules when it closed Mrs E's account with the correct amount of notice, and without telling her why.

Compensation

Mrs E has also complained that £50 wasn't enough compensation for the stress and inconvenience which arose from Santander's decision to stop providing banking for Mrs E. I've looked at compensation in two parts.

First, I don't consider Santander acted wrongly when it decided to close Mrs E's account – as I've explained, it was entitled to do so. So there was no compensation paid, or due, as compensation for the closure. I recognise that Mrs E has found it inconvenient that she doesn't have a bank account elsewhere, but each bank makes its own decisions. So it's not Santander's fault if other banks aren't willing to open an account for Mrs E.

Secondly, I've gone on to look at the customer service Santander provided to Mrs E during the review of her account. I've seen no evidence from the recorded calls between Mrs E and Santander, to indicate that she was ever promised that the restrictions would be removed by any particular date. Nor have I seen any evidence that she was promised a call back which didn't happen. And I've seen nothing to indicate that she was given conflicting information about whether or not she could access the benefits which had been paid into her account through Bank Giro Credit. I recognise that Santander told Mrs E that the £50 compensation

was '*a gesture of goodwill.*' But having looked at all the circumstances, I've seen nothing to show that Santander needed to pay Mrs E any compensation at all for service. I find that its £50 payment was generous in the circumstances, and I don't require it to do more.

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 Mrs E to accept or reject my decision before 23 February 2021.

Belinda Knight
Ombudsman