

## **The complaint**

Mr A complains that Santander UK Plc blocked his bank account. And took too long to release his funds to him. He says this caused him trouble and upset and he wants the bank to pay him compensation.

## **What happened**

On 28 February 2019, a faster payment of £7,500 was paid into Mr A's Santander bank account from a business account he held with another bank, which I will refer to as bank B. Santander took the view that it needed to look into the payment and how Mr A was operating his account. Whilst it completed a review Santander blocked Mr A's access to his account.

Mr A discovered that his account was blocked when he tried to make some online payments on 28 February 2019. Mr A contacted Santander to find out what was happening and to see if there was a problem with his account. When he spoke to the bank Mr A explained that the £7,500 was a dividend payment for work, he'd done the previous month. The bank told him that it needed information to show he was entitled to the money. So, Mr A went into a branch that same day and provided several documents including his bank statement with bank B, a work contract, invoices and his company registration.

Santander reviewed the paperwork Mr A provided and contacted bank B about the payment made into Mr A's account.

On 4 March 2019, Mr A complained to Santander about the review, he said he'd provided enough information to show the money belonged to him and needed access to his funds. He said he didn't think it was reasonable that Santander had decided to contact bank B. He explained that he had three payday loan payments that he needed to make from his account, and he had no other money to cover his everyday expenses. So, he said the block was causing him a great deal of distress and inconvenience. And he wanted Santander to pay him £10,000 compensation.

In response, Santander apologised to Mr A and said it should have been clearer about how long things might take and paid Mr A £60 compensation. Santander also rang bank B to try and get the information it had requested. Unfortunately, bank B said Santander needed to email its request to comply with its processes and it couldn't be done over the phone. So, Santander sent bank B an email. On 7 March 2019, Santander sent bank B a chaser email but didn't receive a response. On 8 March 2019, Santander rung bank B twice to try and find out how long it would take to action its request for information. Due to Mr A's circumstances, Santander asked bank B to expediate things, but bank B said this wasn't possible and said it replies to emails within 20 days. So, Santander could expect an answer by 24 March 2019.

Mr A contacted Santander again on 11, 19 and 22 March 2019, and said he'd been told by bank B that Santander hadn't contacted them. Santander said it couldn't explain this. And sent bank B a further chaser for the information it had requested. On 27 March 2019, bank B provided Santander with the information it had requested. Santander accepted Mr A was entitled to the money which had been paid into his account and decided to remove the

blocks that day. However, the blocks weren't lifted correctly, so Mr A wasn't able to access his account until 2 April 2019. Santander apologised to Mr A and offered to pay him a further £60 compensation for any inconvenience this caused him.

Mr A didn't accept Santander's offer. He said not being able to access his money for nearly a month had seriously affected his health and because he missed his loan repayments his credit record will be negatively impacted. He also explained that because he couldn't access his money, he had to take out a further £700 payday loan and Santander's enquiry led bank B to close his account. He said that he had to constantly chase Santander for updates, and it was only his actions which prompted Santander to chase bank B. So, he said £60 doesn't adequately reflect the amount of trouble and upset he'd been caused. He wants £10,000 compensation.

Mr A brought his complaint to our service where an investigator considered it. The investigator said Santander had done enough to put things right. And hadn't done anything wrong when it had blocked Mr A's account and asked him for information. Mr A didn't accept the investigator's view. He wants the bank to pay him more compensation.

As no agreement could be reached the matter has come to me to decide

### **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.

Firstly, the investigator was right to point out that Santander has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing, so do not only pertain to when an account is opened. To comply with its obligations Santander may need to review an account and/or restrict its customer's access. If Santander didn't comply with its obligations it could risk serious sanction.

In order to meet these requirements Santander is entitled to ask a customer for more information about how they use their account, including payments which are made into an account. And it's not for this service to interfere with the bank's processes. Our role is to see if the bank has made any mistakes and then put the customer back in the position they'd have been in if the mistake hadn't happened.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Santander to block Mr A's accounts and ask him for information about the money which had been paid into his account in February 2019. Santander has explained that this was its standard procedure, and I accept that it was. Having looked at the activity on Mr A's account I can see that the £7,500 payment was out of character, so I can understand why Santander had concerns and wanted to find out more about the payment. So, whilst I accept this caused Mr A inconvenience, I can't say Santander treated him unfairly when it blocked his account. And asked him to provide information to show he was entitled to the money so that it could comply with its obligations.

Mr A says Santander took too long to complete its review of his account and the information he provided. And should have done things more quickly. Because of the blocks Mr A says he missed three repayments on loans he'd taken out. And had to take out a £700 payday loan to get by. I do accept that it took around 27 days for Santander to release Mr A's money to him. But I don't consider that it would be right for me to conclude it shouldn't have taken in excess of any particular or specific timeframe. Because the bank was entitled – as a matter of principle – to do what it did in order to comply with its legal and regulatory obligations. So, whilst I appreciate Mr A wasn't able to use the funds in his account to repay his loans and

took out a further loan, it wouldn't be appropriate for me to award Mr A compensation for this.

I also note that Santander spoke to Mr A on more than one occasion about what was happening and explained to him that it was waiting for bank B to respond. I can see that the bank wrote to Mr A on at least three occasions. So, I think Santander kept Mr A informed about what it was doing. I don't think it's unreasonable that the bank needed time to examine what Mr A had provided and make enquiries with bank B. The bank needed to be satisfied Mr A was entitled to the money.

Mr A says he spoke to bank B to check what was going on and that bank B told him that it hadn't heard anything from Santander. But from the evidence I've seen, Santander chased bank B for a response on more than one occasion. And asked bank B to hurry things up so that it could complete its review. It's unfortunate that bank B said it would take at least 20 days to respond to Santander – despite Santander asking for things to be done sooner. But I can't hold Santander responsible for the actions or processes of another bank. Overall, whilst I appreciate the process was frustrating for Mr A, I think Santander took appropriate measures to find a way forward for him to be able to access the money in his bank account and completed its review in a timely manner.

I've also considered Mr A's request for £10,000 compensation. Mr A says this is made up of £5,900 to cover the funds which were frozen, £700 to cover the loan he took out in mid-March 2019, and £3,400 in recognition of the trouble and upset he's been caused.

It's clear that Mr A feels strongly about his complaint. It's only fair that Santander should compensate Mr A for any losses, distress and inconvenience he experienced as a result of its errors. Santander has accepted it didn't give Mr A clear information about how long it would take to complete its review. And didn't remove the blocks correctly from Mr A's account, which meant he had to wait longer to access his funds. So, I can understand why Mr A was upset. And, I agree that he is entitled to receive some compensation for the inconvenience he experienced arising from that delay and poor communication.

When a business makes an error that affects a customer, it would be expected that the business puts their customer back in the position that they would be in had the error not occurred. Santander released Mr A's frozen balance to him, so he's not lost out financially. Santander has also made Mr A an offer of compensation of a total of £120 for the trouble and upset he's been caused. I understand Mr A doesn't think this goes far enough given the amount of distress and inconvenience he says he's suffered. But it's important to note that it isn't the role of this service to punish or fine businesses for their mistakes or standard of service. I know Mr A won't agree, but I think the offer made by Santander is fair and reasonable. So, I'm not going to ask them to do anything more.

Finally, I note Mr A says bank B closed his account because of Santander's actions. But I've not seen any evidence to suggest this was the case.

### **My final decision**

For the reasons I've explained, I'm not going to ask Santander Bank plc to do anything more to resolve Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 May 2021.

Sharon Kerrison

**Ombudsman**