

The complaint

M, a limited company, complains that Santander UK Plc did not close its account as requested and that it provided poor service.

What happened

M says it asked for its account to be closed and sent a payment to cover the final charges. But it did not receive a closing bank statement and was unhappy at the misleading information given by Santander and said that branch staff had been unhelpful. When it complained Santander said the director would need to go to a branch with identification as the account was dormant and could not be closed. But M said that the director had already done that.

Our investigator did not recommend that the complaint be upheld. She said that in June 2018 the director of M had changed the address for his personal accounts but not those for the business account. He'd been sent a letter telling him how to do that. In June 2019 Santander wrote to M to say that as the account had not been used for a period it would not be able to use it after 21 July 2019 unless it made a payment. On 6 September 2019 M contacted Santander to say it wanted the account to be closed and to notify the change of address. On 7 September 2019 the director sent a payment to cover the closing balance. But that payment was returned as the account was blocked. And Santander wrote to M to say that it would need to provide identification to unblock the dormant account and then pay the outstanding balance before it could close the account.

M did not agree. The director said that during his last meeting with Santander he'd been told that everything needed had been given to close the account. He did follow up with a payment which Santander blocked. And as the purpose of the meeting was to close the account and he'd provided identification Santander ought to have dealt with the issue of dormancy.

my provisional decision

I issued a provisional decision about this complaint on 1 December 2020. I set out below what I said:

I'd seen a copy of a form the director completed for M dated 6 September 2019 requesting that the account be closed. The correspondence address for M was also changed. The director says he provided his driving licence that day and I found it highly unlikely that identification was either not requested or required for such requests. The director says that there was some discussion about outstanding charges. And in the final response to the complaint Santander says that there was a 'review' that day about whether M would need to pay this. But that the director left the branch 'fully informed' that M would need to pay this. And M did make a faster payment of £4 the next day which would have covered the closing balance including any outstanding charges. As has been set out this was returned, and I noted with a message that the beneficiary account was blocked.

On 6 September 2019 the central team from Santander also wrote to M to say that the account could not be closed as the account was dormant with a block and that identification would need to be provided in a branch. And when M complained Santander confirmed that this was the position. My understanding was that the application of charges in September 2019 resulted in an overdraft and that ongoing charges have since been applied. The director of M says he has been contacted about the repayment of these.

I was puzzled why the issue with the dormancy of the account was not addressed when the director of M was in a branch on 6 September 2019. And as I said I found that he had provided the identification that would have been needed to remove the dormancy block. Had that been done the payment for M could have been accepted and the account closed within the period that Santander quoted.

While I understood why the director thought that this arose from a mistake M was reasonably alerted to the fact that the account had not been closed. It was sent a letter and the payment was returned. And as part of its complaint it said it did not receive a closing statement and was contacted about further charges.

I appreciated that the director of M says that he had already gone to a branch on 5 September 2019 and had to come back the next day. I said that it was a matter for Santander to determine when it could deal with the closure request. But I agreed it would and will be a measure of unnecessary inconvenience for him to have to go back again as is the position now. M will need to do this because whatever documentation was provided was not retained.

I would reasonably have expected M to have taken mitigating actions especially if it thought there were further charges as a result. But here I also accepted that there had been some confusing and contradictory information provided such that the director complained on behalf of M.

putting things right

M is a separate legal entity and cannot suffer distress. So, I said I wouldn't be able to consider the impact personally on the director of what happened here. I considered that the account ought to have been closed in September 2019. It wasn't and further charges and possibly interest have accrued. I didn't think that those should have been. I considered that the simplest option here was for me to require Santander to refund the current overdraft balance made up I understood wholly of interest and charges. This should bring the balance of the account to zero and it should suppress any further charges. Any adverse information reported to third parties about this debt should be removed.

Subject to the director of M going to a branch with identification again Santander will then be able to remove the dormancy block and close the account. At that point M can request closing statements. I set out above that I was only considering the inconvenience to M and I took into account that I had required the refund of about £4 of charges that ought to have been paid as set out above. And that M could have mitigated some of the impact here. Against that it was given some contradictory information about what was required until the final response at least. Balancing all these factors I judged that the appropriate amount of compensation for the inconvenience and consequences of what happened is £200.

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 said that it accepted my provisional decision subject to a lower payment for trouble and upset of £100. It said that this reduced amount was appropriate because M was not using the account. It could arrange payment if details of the account to credit were provided and validated with a statement of that account in the last six months.

M confirmed its understanding of the resolution and said it accepted this. It was unsure about the reference to the charges of £4. It wanted to confirm the practical arrangements for the closure of the account and to have a direct line of communication with someone at Santander who could co-ordinate things. It said that this was especially important given the current COVID-19 related restrictions. It had given the account for any final payment on the original account closure form. It also wanted statements from the last one it had in July 2019 and asked what format this would be in. M also asked about how long the documents with this service would be available so it could have a complete record.

I have considered the point made by Santander about compensation, but I do not agree that reducing the amount is appropriate. The payment for inconvenience reflects that M will need to take responsibility for arranging to visit a branch again and providing the information to close the account. This ought to have been a simple matter in the first place.

With that in mind I also won't be requiring Santander to put any special process in place for M. This has clearly not been offered and it has explained already what M will now need to do to close the account. I have reflected the need to contact and visit a branch in my award. And as I say this is a common activity for any branch. I don't see Santander can be responsible for the consequences of any additional arrangements linked to the current restrictions and M will need to make its own enquiry through the director. I recommend that when the director goes to a branch he takes a copy of this decision. He will need to discuss with staff the statement requirements for M and accept the most appropriate arrangement offered. I would also recommend that M saves now any correspondence with this service but if the director has further questions about that he should contact our investigator.

So, in conclusion I won't be departing from my provisional decision for the reasons I've already given.

My final decision

My decision is that I uphold this complaint and I require Santander UK Plc to:

- 1) Make a refund to the account to bring the balance to zero and suppress any further charges or interest while M makes arrangements to close the account.
- 2) Remove any adverse information reported to third parties about this account after August 2019.
- 3) Pay, not credit, M with £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 11 February 2021.

Michael Crewe
Ombudsman