

The complaint

Mrs W complains that Santander UK Plc closed her accounts and won't release money held in the accounts to her. She also complains about poor service.

What happened

Mrs W opened two accounts with Santander in August 2018.

Mrs W says she opened the accounts after moving to the UK to study. English isn't her first language and she set up the accounts so that she could pay for her education, to buy a property and her child's school fees whilst in the UK.

On 28 and 29 August 2018, two international credits of just over £350 and just under £50,000 were paid into Mrs W's account. Santander took the view that it needed to look into the payments and how Mrs W was operating her accounts. Whilst it completed a review Santander blocked Mrs W's access to her accounts.

On 29 August 2018, Santander tried to contact Mrs W to ask her to provide information about the source of the funds and to show that she was entitled to the money. But the phone number they had for Mrs W was answered by someone else who told the bank Mrs W was on holiday. And that that Mrs W didn't speak English very well.

Santander contacted the sending bank regarding the payments. On 19 September 2018, the sending bank notified Santander that the payments had been credited to Mrs W's account in error – in other words she wasn't entitled to the money. And it asked Santander to return the funds. Santander asked for an indemnity but never received one despite chasing the bank on more than one occasion and providing the sending bank with guidance about what it needed to provide to facilitate the return of the money.

On 6 November 2018, Santander decided to close Mrs W's bank accounts and wrote to her giving her 30 days' notice. On 6 December 2018, the bank closed Mrs W's accounts and moved the balances into a sundry account.

Some months later, on 27 June 2019, Mrs W went into a bank branch but due to her limited English, she says it was difficult for her to understand what the bank wanted her to provide to them about the payments. She explained that she'd been out of the country and had also been hesitant to go into the bank due to the language barrier. But she says the bank didn't make any effort to help her understand what was needed. She gave the bank copies of bank receipts for each of the bank transfers that had been made into her account and a copy of her passport. Santander said it would review the paperwork she gave them and asked her to pop back into branch in a few days.

On 2 July 2019, Mrs W went back into the branch. She was able to withdraw her available balance of just over £5,000. Santander didn't release the remaining funds that had been paid

into the account from Hong Kong in August 2018, as it wasn't satisfied Mrs W had demonstrated she was entitled to the money.

On 15 August 2019, Mrs W made a complaint and asked the bank to reconsider its decision to close her accounts. Mrs W also told the bank that the August payments were from her husband's business partner in Hong Kong. And that the money was intended to fund her study and support her whilst she was in the UK. She also submitted a subject access request to the bank and complained about how long things were taking.

Santander didn't respond to Mrs W's letter until 21 September 2019. The bank apologised to Mrs W for how long things were taking and that it hadn't responded to Mrs W's letter sooner. It offered Mrs W a total of £150 for its poor service.

Santander said it had acted in line with its legal and regulatory obligations when reviewing Mrs W's accounts and that it wasn't willing to re-open Mrs W's accounts. The bank pointed out that Mrs W's explanation about her entitlement to the money from Hong Kong was at odds with the information it had received from the sending bank. And suggested that she or her husband contact the bank in Hong Kong to try and resolve things.

Unhappy with this response, Mrs W brought her complaint to our service where an investigator considered it. The investigator said Santander's offer of £150 for its poor service was fair. And it hadn't done anything wrong when it had blocked Mrs W's accounts and asked her for information about the payments. She didn't think the bank had acted fairly when it had closed Mrs W's basic bank account so she said Santander should pay Mrs W £100 compensation for the trouble and upset this caused as she didn't have any other bank account in the UK. She also thought the bank could've done more to help Mrs W understand what she needed to, as English wasn't her first language. So, she said the bank should pay her £100 for the upset and inconvenience this had caused.

Mrs W accepted the investigator's view. Santander disagreed. It said it had closed Mrs W's accounts in line with the relevant regulations and account terms and conditions. Santander also said whilst it accepted Mrs W spoke little English, it thought Mrs W had understood enough so as to be able to withdraw her balance in June 2019 and provide some paperwork about her entitlement to the money. It also pointed out that she'd made the necessary adjustments herself by appointing someone to represent her when she'd complained.

provisional decision

As no agreement could be reached the matter was passed to me to review. On 1 September 2021 I issued a provisional decision in which I said:

I've read and considered all of Mrs W's submissions regarding her complaint, but I'll concentrate on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think it is the right outcome.

account block

I'll deal first with the bank's decision to block Mrs W's access to the payments made into her account in August 2018. As the investigator has already explained, Santander has extensive legal and regulatory responsibilities they must meet when providing account services to customers. And to fulfil these obligations they may need to review activity taking place on accounts and ask customers for information about payments – it's entitled and obliged to carry out such checks to help safeguard both the bank and its customers from financial

crime. The terms of Mrs W's accounts also permit Santander to block payments, accounts and ask for information.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Santander to block Mrs W's accounts and ask her for information about the two payments which had been paid into her account in August 2018. Santander has explained that this was its standard procedure, and I accept that it was. Having looked at the activity on Mrs W's account statements I can see that the two payments were out of character. Mrs W had not previously received any international payments and the accounts had mainly been funded by cash deposits of less than £1,000.

According to Mrs W's account application form, she'd also told the bank that she was a student and there were no obvious links between Mrs W and the company which had sent the payments. In addition, the sending bank had contacted Santander to say that the payments had been made to Mrs W in error – in other words the money wasn't meant for her. So, I can understand why Santander had concerns and wanted to find out more about them. Whilst I accept this caused Mrs W inconvenience, I can't say Santander treated her unfairly when it blocked her accounts and asked her to provide information. Santander were within its rights to review the operation of Mrs W's account.

release of money

The crux of Mrs W's complaint is that she wants the blocked payments totalling just over £46,000 that was paid into her account released to her. Mrs W has said that the payments were dividend payments her husband received from his business partner in Hong Kong. She says the money was paid directly to her to fund her life in the UK.

Mrs W has provided paperwork to support what she's said which includes a copy of her marriage certificate, company registrations, information about shareholders and agreements regarding the dividend payments. Santander didn't think the information Mrs W provided was sufficient, and I can understand the bank's concerns. I say this because despite the paperwork Mrs W has provided, the bank still had a message from the sending bank to say that the money paid into Mrs W's account in August 2018 was done so in error. This suggests that Mrs W isn't entitled to the money. And so far, I haven't seen any evidence which suggests otherwise. I note too that Santander has made repeated attempts to contact the sending bank but to date hasn't received sufficient information to either release the money to Mrs W or return the money.

It maybe that Mrs W can now provide more information about the remaining funds. But, in the circumstances, I can understand why Santander didn't consider Mrs W had adequately explained her entitlement to the money. So, I can't say the bank has treated Mrs W unfairly when it decided not to release the money to her. And I won't be asking the bank to do so.

Service issues

Mrs W says she had to chase Santander to try and find out what was happening with the money in her account and move things along. Santander has accepted its service fell short and didn't respond to Mrs W when it said it would. It has apologised to Mrs W and offered her £100 compensation. And a further £50. I've no doubt that having to chase the bank repeatedly caused Mrs W a good deal of frustration and inconvenience. But I think the bank's offer is a reasonable reflection of what went wrong and the impact on Mrs W. So, I'm not going to ask Santander to do anything more regarding this aspect of Mrs W's complaint. I think the offer of £150 is fair and reasonable.

Mrs W has told us that English isn't her first language, and as a result she had difficulty understanding what the bank needed from her and how she could access the money in her account. She's said she found the whole experience quite confusing and upsetting because of her poor English. And feels the bank treated her unfairly. She's explained that it was only when a friend stepped in and was able to speak to the bank on her behalf that she understood what the bank wanted.

Santander says whilst it noted Mrs W spoke little English at the time, Mrs W was able to withdraw her balance. And understood that she needed to provide evidence of her entitlement to the funds which were paid into her account at the end of August 2018 (although this was insufficient). Santander said that when it tried to call Mrs W in August 2018 about the payments, it spoke to someone on her behalf, so it was able to communicate with Mrs W albeit via third party. Santander also pointed out that Mrs W had subsequently made adjustments herself to help her communicate with the bank, and appointed her friend, Miss M to act as her representative – in other words there was nothing left for the bank to do as Mrs W had taken care of things herself. I don't agree.

From looking at the bank's complaint notes I can see the bank has on more than once occasion noted that Mrs W didn't 'speak a great deal of English'. So, I'm satisfied that the bank knew Mrs W needed some help to understand what was happening with her accounts. But I can't see that Santander took any steps to support Mrs W, such as offering translation support services that many other financial service providers offer.

I can't be sure how things were explained to Mrs W when she went into branch as I wasn't there. I don't know how well she was able to understand what was happening or how much assistance she needed from the bank staff. So, I've thought about what would be considered good industry practice. Whilst Mrs W was able to withdraw her account balance, that shouldn't necessarily have prevented Santander from offering her support to help her understand what was needed to show she was entitled to the money that had been paid into her account.

I note that the information needed by the bank regarding Mrs W's entitlement to the funds, only became available once Mrs W had the assistance of her friend, Miss M, who could communicate with the bank on her behalf. But this didn't happen until August 2019. I think it's more likely than not that Mrs W would've provided this information much sooner if she'd understood the bank's request properly which would have been possible if Santander had offered her the support of translation services.

I can also see that despite Santander being aware of Mrs W's limited ability to understand English it wrote to her on more than one occasion in English, before Miss M came into the picture who would've then translated the bank's letters and responded on her behalf. And whilst I accept that Santander managed to speak to someone when it first tried to call Mrs W, in August 2018, I haven't seen anything to suggest this person was acting as Mrs W's representative. So, overall, I can understand why Mrs W says she felt anxious and confused when she tried to sort things out with Santander. Based on the evidence, I currently think the bank had sufficient reason to think Mrs W wouldn't understand its letters and its requests about what she needed to provide regarding the payments. And that Mrs W was caused trouble and upset. So, I agree with the investigator, that Santander should pay Mrs W £100 compensation.

Account closure

I then turn to the bank's decision to close Miss W's account. It's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually

say that a bank must keep customer or require it to compensate a customer who has had their account closed.

Banks should however, give reasonable notice before closing an account. Usually, that means 60 days' notice, but it can be less – depending on the circumstances. In this case Santander closed Miss W's bank with 30 days' notice. Having looked at all the evidence, in my view that wasn't unreasonable given the bank's concerns about how Mrs W was operating her accounts. And the information it had received from the sending bank. I'm satisfied that the bank acted in line with the account terms and relevant regulations. So, I can't say the bank has done anything wrong or treated Mrs W unfairly when it closed her accounts. So, it wouldn't be appropriate for me to award compensation for that since I don't believe Santander acted inappropriately in taking the actions it did.

So, to put things right I said Santander should:

- *If it hasn't already done so, pay Mrs W £150 compensation for its poor service caused by not responding to her correspondence and*
- *pay Mrs W £100 compensation for the trouble and upset caused by not providing a translation service*

Santander accepted my provisional decision. Mrs W responded to say she accepted the provisional decision. But wanted to know how she could access the funds in the account and doesn't think it is fair that Santander are waiting. Now both sides have had an opportunity to comment I can go ahead and issue 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 remain of the view to partly uphold the complaint for the same reasons I gave in my provisional decision, which are repeated above and form part of this decision.

In response to my provisional decision, Mrs W said she doesn't understand why Santander are waiting for an indemnity despite providing what she thinks, is enough information to show she is entitled to the money paid into her account. So, she thinks it's unfair for Santander to continue to hold onto the money. And says she's essentially caught between two banks.

I understand Mrs W thinks there is no basis for Santander to have blocked her access to the payments made into her account in August 2018. And that she's given the bank documentation to show she is entitled to the money. But I've also had to consider Mrs W's position alongside all the wider information available to me, including the regulatory and legal obligations Santander must balance when taking decisions. And the information it received from the sending bank (which I've seen) – that said Mrs W wasn't entitled to the money and that it had been paid into Mrs W's account 'in error', which contradicts what Mrs W has said about the money.

In doing so, I'm satisfied Santander made a legitimate and proportionate decision in not releasing the money to Mrs W. This doesn't of course mean that I think Mrs W has committed any crime or wrongdoing. That is not what I need to decide; nor was it required of Santander to decide in order to take the action they did. I can see that Santander has contacted the sending bank on more than one occasion. And each time it has said the money was sent in error. I don't know why the sending bank hasn't provided an indemnity as

Santander has requested. And I can't hold Santander responsible for the actions of another bank. So, I can't say the bank has treated Mrs W unfairly when it decided not to release the money to her. And I won't be asking the bank to do so. Having looked at all the evidence, I'm also satisfied that the bank acted in line with the account terms and relevant regulations when it closed Mrs W's accounts.

Mrs W says she had to chase Santander to try and find out what was happening with the money in her account and move things along. Santander has accepted its service fell short and didn't respond to Mrs W when it said it would. It has apologised to Mrs W and offered her £100 compensation. And a further £50 for delays. I've no doubt that having to chase the bank repeatedly caused Mrs W a good deal of frustration and inconvenience. But I think the bank's offer is a reasonable reflection of what went wrong and the impact on Mrs W. So, I'm not going to ask Santander to do anything more regarding this aspect of Mrs W's complaint. I think the offer of £150 is fair and reasonable.

For the reasons set out in my provisional decision, I'm satisfied that Santander were aware of Mrs W's limited ability to understand English. And should have provided her with the support of translation services. Had it done so, I think it's likely Mrs W would've been able to provide the information the bank requested sooner as she would've been able to understand more clearly what was needed. And wouldn't have been upset and anxious when trying to sort things out with the bank. So, I agree with the investigator, that Santander should pay Mrs W £100 compensation for the trouble and upset she was caused.

My final decision

For the reasons set out above, my final decision is I partially uphold Mrs W's complaint against Santander UK Plc.

To put things right Santander UK Plc should:

- If it hasn't already done so, pay Mrs W £150 compensation for its poor service caused by not responding to her correspondence and
- pay Mrs W £100 compensation for the trouble and upset caused by not providing Mrs W with support to help her understand what was needed to help sort things out

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 25 October 2021.

Sharon Kerrison
Ombudsman