

The complaint

Mr and Mrs S complain about Santander UK Plc's actions when closing their bank account.

What happened

Mr and Mrs S held an account with Santander. Around late 2020, Santander asked Mr and Mrs S for information relating to 'Know Your Customer' (KYC) checks.

At first, Mr S ignored the request – until he received a chaser for information, and he went into branch and supplied Santander with the information they'd asked for.

On 5 March 2021, Santander made the decision to close Mr and Mrs S's account. They wrote to Mr and Mrs S and advised their account would be closed immediately – however Mr and Mrs S said they didn't receive this notification from Santander until later in the month. Mr and Mrs S say they couldn't access their online banking, bank account, or the money in it at all. Mr S said this caused particular issues as he was unable to manage his direct debits and standing orders. Mr and Mrs S had to borrow money from family to get them through the period where they didn't have access to their money.

Around 18 March 2021, Mr and Mrs S received a cheque from Santander with the full balance of the account.

While this situation was ongoing, Mrs S's health started to deteriorate. Mr and Mrs S would like £10,000 compensation to recognise the distress and inconvenience this overall situation has caused.

Our investigator reviewed things and upheld Mr and Mrs S's complaint. She thought Santander should have given Mr and Mrs S two months' notice to close the account – instead of an immediate closure. She asked them to pay Mr and Mrs S £350 compensation.

Santander agreed with our investigator's view. Mr and Mrs S didn't – they thought more compensation was warranted. Mr S has supplied medical information to show that Mrs S's health concerns were exacerbated by stress – and specifically as she didn't have access to her bank account. Mr S said he has lost money from work due to having to take time off to open a new bank account and take Mrs S to her medical appointments. Mr S thinks this could have been avoided if Santander had asked him for extra information as part of the KYC checks if they weren't satisfied by something or given them notice to close the account like they should have.

Our investigator still thought £350 compensation was a fair amount to reflect what had happened. As an agreement couldn't be reached, the complaint has been passed 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.

Having done so, I think Santander should pay compensation to Mr and Mrs S to put things right. I've explained further below.

Santander are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customer's accounts – either in full or partially while they carry out their review.

In order for me to be satisfied that Santander's actions were appropriate in the circumstances, I'd need to see evidence of why their review was initiated, and what actions they took during the review. Santander hasn't shared that level of detail with our service, so I can't confidently say their actions were reasonable.

Following their review, Santander decided to end their relationship with Mr and Mrs S. Banks sometimes choose to end their relationship with customers. This can be due to a number of reasons, and a bank isn't obliged to give a reason to the customer – only to meet the account closure terms and conditions. Just the same as if Mr and Mrs S decided to stop banking with Santander, they wouldn't have to explain why. Santander can only close accounts in certain circumstances and in line with the terms and conditions of the account. Santander have relied on and complied with the terms and conditions when closing Mr and Mrs S's account – however I haven't seen enough evidence to satisfy me that they were able to close it without notice. Based on the information which has been shared with our service, I can only reasonably agree that the full two months' notice should have been given.

I recognise Mr and Mrs S was without their money for a period of around two weeks – from the first block on 5 March 2021 up to when they received the cheque with the balance from their account around 18 March 2021. I've no doubt this would have been a really worrying time for Mr and Mrs S, and it likely would have put them in a financially challenging position because they didn't have access to their money. But a bank can't always guarantee that funds in an account will be readily available as they have broader regulatory obligations with which they have to comply. While we don't specify how long an account review should take, I'm satisfied that Santander didn't cause any unnecessary delays as Mr and Mrs S had access to their money within a couple of weeks.

I'm really sorry to hear of the health complications Mrs S has faced. I recognise the effects of this will be ongoing for her and Mr S and don't doubt this must be a really difficult time for them both. I've thought carefully on whether I can reasonably hold Santander responsible – and if so, what the appropriate level of compensation would be. I know this will be really hard for Mr and Mrs S to accept, but I can't fairly hold Santander wholly responsible for what's happened in regard to Mrs S's health. I say that because, Santander have an obligation to review their customer's accounts. They did that – and following their review, decided to end their banking relationship with Mr and Mrs S. While I think Santander ought to have given Mr and Mrs S two months' notice of their intention to close the account, I don't think it would have made an overall difference to Mrs S's health. While I appreciate Mrs S's doctor has confirmed the exacerbation in her symptoms was likely due to stress; in order to uphold the complaint on this point, I'd need to be satisfied that Santander did something wrong – and those errors would have made a material difference. If Mr and Mrs S had been given two months' notice of their closure, while they would have been able to manage their direct debits more effectively, they would have still found themselves without their Santander bank account and needing to open another one. I'm really pleased Mr and Mrs S were able to borrow money from family to help them through the two weeks or so they didn't have access to their funds. I also haven't seen any evidence of any direct debit payments being missed which resulted in subsequent financial stress. Mrs S's condition is a neurological symptom, and while her doctor has commented that Santander's actions are likely to have been the

precipitating factor in the escalation of her symptoms, I haven't seen any compelling evidence to satisfy me that's the overall cause.

I'm aware Mr and Mrs S would like around £10,000 compensation for the overall upset of this situation. I've very carefully considered everything that both parties have said around what's happened, and having done so, I agree with our investigator that £350 is fair and reasonable. I won't be asking for Santander to pay more, as even if they'd given two months' notice, I still find Mr S would have had to open a new bank account, and I still believe Mrs S would have found herself with the health condition she has. No amount of money can change what Mrs S is now facing but it wouldn't be fair for me to hold Santander responsible for that based on the full circumstances of this complaint. It's also useful to confirm that we're not the regulator and it's not our role to fine or punish a business, that means our awards can't be punitive.

Putting things right

Overall, I'm satisfied, based on the information I've received from both parties, that Santander reviewed Mr and Mrs S's account correctly; but I find they should have given two months' notice of their intention to close it. For around two weeks, Mr and Mrs S were affected by having no access to the money held in their Santander account. Mr S also had to take time off work to open a new bank account, and aid Mrs S to important medical appointments.

I've explained why I consider Mr S would have still had to open a new bank account, and why I can't fairly hold Santander responsible for Mrs S's medical appointments. So, having considered everything, I'm satisfied £350 is fair and reasonable in recognition of the distress that was caused to Mr and Mrs S by not having two months' notice of their account closing.

My final decision

For the reasons explained above, I uphold this complaint. To put things right, Santander UK Plc, should pay Mr and Mrs S a total of £350 compensation.

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 25 April 2022.

Hayley West
Ombudsman