

The complaint

Mr M complains that Santander UK Plc blocked his account. Mr M also complains about the time taken and service provided by Santander when completing its review.

What happened

On 29 April 2021 a payment for £3,700 was made to Mr M's account with Santander. The payment was flagged by Santander's systems and referred for review. Mr M contacted Santander on the same day and was told the payment had been held for further checks. Mr M has provided an invoice to show the transfer was linked with a holiday payment he needed to make. Santander explained that if Mr M wanted to access cash he would need to visit a branch with identification.

Mr M complained and Santander issued a final response explaining what had happened. It took around a month for Santander to review the payment and remove the account block. Mr M has explained that during this period he regularly called Santander to obtain an update and move things along.

Mr M referred his complaint to this service and it was passed to an investigator. They thought Santander's decision to place a block on Mr M's account whilst it completed a review was reasonable. But the investigator thought Santander could've completed its review quicker and asked it to pay Mr M £150 for the distress and inconvenience caused. Santander accepted but Mr M didn't agree the level of compensation was fair and asked to appeal. As a result, Mr M's complaint has been passed to me to make a 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.

I understand it was a shock when Santander placed a hold on the payment Mr M received and blocked his account. But the account terms and conditions allow Santander to put a block in place in order to review a payment. Santander said the amount Mr M received was unusual for his account history. I've looked at Mr M's bank statements and agree, although I can see other instances where significant sums have been received. I'm satisfied Santander reasonably highlighted the payment for further investigation. I haven't been persuaded Santander's decision to apply an account block was unfair.

That being said, I agree with the investigator's view that the review appears to have taken longer than necessary. The account block was in place for around a month and I understand that was inconvenient for Mr M.

I note Mr M was given information about how to withdraw funds in branch and I understand he withdrew £175 whilst the account was blocked. Mr M has told us he asked to withdraw larger sums but was denied. But whilst Mr M was able to take out funds from his account, the payment he received on 29 April 2021 remained on hold until Santander's review was

completed. So even if a larger withdrawal had been approved, Mr M wouldn't have had access to the transfer funds until Santander released them.

I've considered the impact of Santander's delay on Mr M. Looking at his bank statements, I can't see any returned regular payments or unpaid bills. And, as noted above, Mr M was able to access cash during this time. So whilst I agree the time taken caused Mr M inconvenience I'm satisfied it was reasonably limited in nature. Mr M has told us he repeatedly had to call Santander to chase updates and call backs weren't received as promised. I can understand how frustrating the service provided was for Mr M and I don't doubt it caused some distress.

Santander has agreed to pay Mr M £150 for the distress and inconvenience caused. Whilst I understand my decision may come as a disappointment to Mr M, I'm satisfied that £150 fairly reflects the distress and inconvenience caused by the way Santander completes its review. As a result, I'm going to proceed on that basis and uphold Mr M's complaint.

My final decision

My decision is that I uphold this complaint and direct Santander UK Plc to pay him £150 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 May 2022.

Marco Manente
Ombudsman