

## **The complaint**

Mr H complains that Santander UK Plc unfairly closed his account and lodged a fraud marker against him with CIFAS.

## **What happened**

Mr H received fraudulent funds into his account, after agreeing to help out someone who he shared accommodation with. Mr H explained that he was asked to receive the funds into his account and give his flatmate the cash. Mr H wasn't aware at the time the funds were from a fraudulent source and believed he was helping his flatmate out.

When Santander received information that the funds Mr H had received were from a fraudulent source, they attempted to ask Mr H about them in a phone call to him. Mr H thought the call was suspicious and ended the call.

Santander continued to look into the matter and decided to close the account and lodge a fraud marker with CIFAS - a national anti-fraud organisation. Santander advised Mr H that they were closing his account and gave him 30 days' notice.

Mr H followed up this notice with a call to Santander where he explained what had happened and that he was also the victim of the actions of his flatmate. The Santander call handler who spoke with Mr H thought that Mr H had been spoken to earlier that day, but Mr H denied this. Mr H confirmed that he'd ended a call some months earlier because he thought it was suspicious. Santander went ahead with the account closure and the lodgement of the CIFAS marker.

Mr H complained to Santander who didn't change their position because they hadn't received any evidence that showed Mr H was entitled to the funds. Mr H then brought his complaint to the Financial Ombudsman Service for an independent review where it was looked into by one of our adjudicators. Both parties were asked for information about the complaint and Mr H repeated his explanation about what had happened. Santander provided details of their investigation and contacts they'd had with Mr H.

Our adjudicator didn't think that Santander had met the appropriate standards required by CIFAS when they lodged a marker, but he did consider they'd followed their terms and conditions when they closed the account. Mr H's complaint was partly upheld, and Santander agreed to remove the CIFAS marker. They later agreed to offer Mr H £100.

Mr H disagreed with the outcome and wanted Santander to re-open his account and for any compensation payments to be reconsidered. Mr H wanted to address issues he had with the adjudicators review but hasn't added anything further.

## **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.

Part of Mr H's complaint was upheld, so I don't need to consider the issue concerning the lodgement of the CIFAS marker. But, Mr H wants Santander to re-open his account and for the compensation to be reviewed.

When Santander told Mr H his account was to be closed after 30 days, they were doing this based on the terms and conditions contained in the agreement between them and Mr H. I've reviewed those conditions and they provide an option for Santander to reduce the notice they provide (which is usually 60 days) when they believe the account holder (here Mr H) has either:

- “ a) act abusively, offensively or violently towards our staff; or*
- b) become bankrupt; or*
- c) misuse your account; or*
- d) act dishonestly with us; or*
- e) act in any way to give rise to reasonable suspicion of fraud or other criminal activities.”*

Santander received the report from the sending bank that confirmed the funds Mr H had received were from a fraudulent source. Their review of the account showed that Mr H made a withdrawal the same day that corresponded closely to the amount received fraudulently. Santander were satisfied the account had been used to receive and move on fraudulent funds. I think at this point they had sufficient grounds to believe there was a significant breach of the terms of the account.

I've thought about Mr H's explanation of how he came to be involved with these funds and his story isn't an uncommon one. Mr H believed he was helping out a flatmate, but in fact was drawn into moving funds that had been received from a fraudulent source.

Santander have the right, as do account holders, to close the account. Santander are required to follow the terms and conditions for the account and here they gave Mr H 30 days' notice. I'm satisfied that Santander met their terms and conditions when they closed it and I won't be asking them to do anything more concerning this.

### *Compensation*

Mr H explained that he'd incurred costs when dealing with Santander and they offered to pay him £100. I asked Santander about the levels of compensation they'd offered, and they've increased this to a total of £200. I've thought about this payment and whether it reflects an appropriate amount for how Mr H was treated and the impact it had on him. Mr H explained that there was no direct financial impact caused by the marker and he's told us that this wasn't about compensation.

Mr H believed the marker and the closure of his account was linked to a business he was operating – that he was unable to continue with, in part, due to the actions related to his account. Having reviewed the evidence, and the fact that the account was a personal one in Mr H's name, I haven't seen anything that would suggest the actions of Santander were responsible for matters related to his business. Overall, I think that Santander's offer is a fair one and I won't be asking them to increase this beyond their revised offer of £200.

### *Phone call*

The Santander call handler who spoke with Mr H thought that Mr H had had an earlier call that same day. Mr H was adamant that he hadn't spoken with Santander apart from one a few months earlier. Having looked at Santander's records, they record only the one call to Mr H's number on the day in question. But, there are notes recorded on the same day (as the call to Mr H) by Santander's investigator that refer to the earlier aborted call to Mr H. There are two dates within the records – one related to the investigator's assessment and one for the date of the call. So, it appears that the details may well have been misread by the call handler who spoke with Mr H about the earlier call. I appreciate Mr H thought that the missing call was significant, but that's not my assessment of what happened. In any case, the facts of what went on and Mr H's position have been well represented in the complaint and it's this that's relevant to my considerations when making this decision.

### **Putting things right**

Santander have agreed to remove the CIFAS marker, which I think is the appropriate action for them to take. They also agreed to pay Mr H £200. I don't think that Santander were breaching their terms when they closed the account and won't be asking them to change this.

### **My final decision**

My final decision is that Santander UK Plc are instructed to:

- Remove the CIFAS marker if they haven't already done so.
- Pay Mr H £200.
- For the avoidance of doubt, I don't uphold the account closure complaint and won't be instructing Santander to reopen it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 August 2022.

David Perry  
**Ombudsman**