

The complaint

Mr T complains that Santander UK Plc blocked and closed his account and returned funds back to source. He also complains he was treated badly and given conflicting information by staff at the bank. Mr T would like his account reinstated.

What happened

The facts of this case are well known to both parties and the investigator has outlined them in full detail in his view. So, I don't propose to repeat them here.

Our investigator partially upheld the complaint and awarded Mr T a total of £300 in compensation for the poor customer service Mr T suffered.

Mr T has disagreed with the view issued by our investigator.

Mr T has said following the view and after requesting that the case go to final decision that he is not interested in compensation but would like his account reinstated.

As there was no agreement the matter has come 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.

Mr T has made a number of quite detailed submissions and also sought answers to his questions about the nature of Santander's investigations. I've reviewed all the material he has submitted. I'm not going to cover all the points raised by Mr T in his detailed submissions. No discourtesy is intended by this. I want to reassure Mr T I've considered all of these, but I don't believe it's necessary to address each and every point that Mr T has made in order to meet my statutory duty to determine his complaint. I'm required to do that with minimum formality, and so I'll address the issues that I consider to be the most important. I do stress however that I've considered everything that Mr T and the bank have said before reaching my decision.

Mr T has said that he isn't interested in compensation but wants his account reinstated despite this I have commented on the aspects of the complaint that he previously raised.

Reviewing the account

Mr T's account was reviewed following a payment into the account. The account was blocked during the review.

Financial businesses, like Santander, are subject to a number of legal and regulatory requirements. These mean they have to monitor their customers' accounts and may need to review an account at any time. While that is happening, they may need to block or restrict

any payments. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied Santander were complying with these obligations when they reviewed Mr T's account.

Funds returned to Sender

Mr T received some funds into his account. Following information from the third-party sender Santander sent the remaining funds back to the sender. Mr T has told us and Santander that he was entitled to the funds paid into the account as it was payment for services agreed with a third party.

Santander sent the funds back to source. I appreciate Mr T says he's entitled to the money that was originally paid into his account. Mr T has provided us with documentation which he says shows his entitlement to the funds, I have considered this information carefully. I appreciate that Mr T is saying the funds were provided in exchange for services and there was a legitimate agreement between himself and the third-party sender. But I also have to weigh this up against the information provided to me by Santander. And based on the information I've seen I agree that this was the right action in the circumstances. I'm also satisfied that Santander were complying with their legal obligations when it returned the money to source. So, I'm not going to direct Santander to return the funds to Mr T.

Service issues

Despite Mr T now saying he isn't interested in service issues I have gone on to consider the overall service Mr T received from Santander.

I can see Mr T had a wasted journey into branch to hand over documents which could have been emailed to Santander. In addition, Mr T contacted Santander on the phone on numerous occasions and was given somewhat inaccurate information regarding the disputed credit and the time it would take to unblock his account.

Mr T has also told us he was badly treated by branch staff when he went into branch on two different occasions in November 2021 and later in December 2021.

Santander agreed that they should have done better and offered Mr T £200 compensation. Mr T rejected this. The investigator having reviewed the service issues agreed that Mr T should be awarded £200 in compensation for the service issues he encountered. Having reviewed the evidence, I am inclined to agree with the investigator's assessment. I think £200 is a fair amount given the circumstances and I won't be increasing the amount.

Mr T was awarded a further £100 compensation by the investigator because Santander didn't process a benefit payment credit into his account. Santander should have continued to accept credits into Mr T's account until the account closure date on 9 January 2022. Because of this Mr T was without his benefit payment for a further three weeks. He has said this caused him distress and inconvenience. This must have been difficult for Mr T. I think £100 is fair compensation for the error made by Santander which impacted Mr T as he didn't get access to some of his benefits in a timely fashion.

CIFAS Marker

I know Mr T was concerned about a CIFAS marker. But having looked at the evidence I can confirm to Mr T that Santander didn't register a CIFAS marker against him but did a search on his CIFAS records. So, I can't agree with Mr T that Santander have registered a marker

against him.

Mr T has mentioned he thinks he was declined for a data plan for his Apple watch because Santander shared information with CIFAS. As I mentioned Santander merely searched the CIFAS record so I can't see that Santander are responsible for Mr T being declined the data plan.

Closing the account

Santander decided to close Mr T's account and gave him 30 days' notice.

A bank is entitled to close an account with a customer just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

As the investigator explained 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 good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

I've considered whether Santander acted fairly in closing Mr T's account. I've looked at the terms and conditions of his account and I'm satisfied they did. The terms and conditions outline that the bank can close a customer's account with two months' notice, and in certain circumstances they can close an account with less notice. In this case Santander closed Mr T's account with 30 days' notice. Having looked at these terms and all the evidence I'm satisfied that the bank has applied the terms fairly. And it was entitled to close the accounts as it's already done.

It follows I won't be asking Santander to reinstate Mr T's account

Putting things right

To put things right Santander should pay Mr T £200 compensation for the service issues and £100 compensation for the delay in Mr T receiving some of his benefits.

My final decision

For the reasons given above I partially uphold this complaint. I require Santander UK Plc to pay Mr T a total of £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 30 December 2022.

Esperanza Fuentes
Ombudsman