

The complaint

Mrs A complains about delays and service issues when trying to withdraw her money from Santander UK Plc.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mrs A had a bank account with Santander. Late last year, a third party (Mr W) contacted Santander on Mrs A's behalf to ask for her funds to be transferred. Mrs A now lives abroad.

Santander says Mrs A's account was blocked for Know Your Customer (KYC) purposes and needed updated identification before funds could be withdrawn. Santander received Mr W's correspondence but responded to Mrs A. Santander went on to receive various pieces of identification and spoke with Mrs A. The account block was removed and funds sent to Mrs A by cheque.

Mr W's told us the cheque took several weeks to arrive and Mrs A then had to pay for it to be cleared by collection.

Santander issued a final response but didn't agree it had made mistakes or treated Mrs A unfairly. An investigator at this service looked at Mrs A's complaint.

The investigator asked Santander to pay Mrs A £40 to cover the fee for depositing the cheque but didn't award further compensation. On Mrs A's behalf, Mr W asked to appeal. As a result, Mrs A's complaint has been passed to me to make a decision.

What I've provisionally 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to ensure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I've taken the step of issuing a provisional decision as whilst I agree with the overall outcome the investigator reached, I've come to my decision for different reasons. As a result, I need to give both parties a chance to respond before I make my final decision. Mr W's told us he feels Santander's failure to communicate with him directly as well as the failure to act on his instructions, on behalf of Mrs A, forms part of the complaint. And I agree that's the case. Mr W made these points in the complaint form on Mrs A's behalf which has been forwarded

to Santander. And Santander has specifically commented concerning whether it could act on Mr W's instructions within its submissions. I agree these issues form part of Mrs A's complaint.

I understand Mr W feels Santander placed an unreasonable number of obstacles in their way when trying to withdraw funds on Mrs A's behalf. But when Mr W initially contacted Santander with a view of arranging a transfer, there was an account block in place. Santander's told us Mrs A's account was blocked as it didn't have up to date identification on file for KYC purposes. And Santander's also explained it couldn't remove the account block until it had up to date and acceptable identification for Mrs A.

I know Mr W was working on Mrs A's behalf. But Santander's confirmed that it didn't have third party authority from Mrs A to confirm that. As a result, whilst Santander was able to correspond with Mrs A on receipt of correspondence from Mr W, it wasn't able to respond directly to him or release private information. Nor was Santander able to arrange for the funds to be sent to Mrs A before speaking with her directly.

Mr W's told us that Mrs A is elderly and requires assistance for banking matters. I don't doubt that to be the case, but without either an active Power of Attorney arrangement registered within the UK or completion of the third party authority process, Santander was unable to correspond directly with Mr W or accept his instructions on Mrs A's behalf.

The process of adding a third party with authority to give instructions, including withdrawals and instructions to close, is set out on Santander's website. A customer wishing to give a third party authority to carry out banking activities on their behalf has to fill out the relevant form and appoint a qualifying individual. Whilst I can see Mr W was corresponding with Santander, the third party authority process wasn't completed. So Santander had no authority to discuss Mrs A's account directly with Mr W or act on his instructions.

I can see Mr W was seeking to arrange transfer of Mrs A's funds for several months, but I'm satisfied Santander didn't have third party authority recorded so wasn't able to act on his instructions or correspond with him. Whilst I note Mr W's complaint that Santander failed to effectively communicate with him, I'm satisfied it didn't have authority to do so.

In mid 2021 Santander applied a block to Mrs A's account for KYC purposes as it didn't have up to date identification on file. Santander went on to receive an expired passport along with identification from the country Mrs A now resides in. Santander had to obtain a translation and, once on file, removed the account block. I know Mr W feels the steps were longwinded and inconvenient. But I think that reflects the fact the account instructions were being received from Mr W and Santander then had to correspond with Mrs A. I haven't found that the process was unreasonably delayed.

Mr W's explained Mrs A wanted a transfer, not cheque, and that depositing the cheque for collection led to fees and losses. We've asked Santander why it sent the cheque in place of a transfer. Santander says that after speaking with Mrs A it felt the most secure approach to ensure she received the funds was to send a cheque. There was a delay, but the cheque was successfully received and deposited for collection. So whilst I accept things took longer than normal, I think that reflects that Mrs A's account was blocked, her location in another country and the fact Santander was receiving instructions from Mr W who wasn't an authorised third party to the account.

Our investigator said Santander should pay Mrs A £40 to cover the fee for depositing the cheque by collection. I think that's a reasonable way to resolve Mrs A's complaint given it was Santander's choice to use a cheque and Mrs A had to pay a fee. So I intend to award £40 in line with the investigator's view.

I invited both parties to respond with any further comments they wanted me to consider. In summary, Mr W highlighted information from Santander that said it would consider a complaint brought by a third party on behalf of a customer and said he had no intention to give instructions to the bank. Mr W said they should've let him know if he was acting without sufficient authority. Mr W said the length of time taken to issue the refund after receiving identification was unacceptable. Mr W also reiterated his view Santander's decision to send the funds via cheque in the post was unreasonable and lacked security.

Santander responded to confirm it accepts the provisional 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'd like to thank Mr W for the level of detail he's given when responding on Mrs A's behalf. In his response, Mr W said he wasn't seeking to give instructions to Santander but was trying to communicate with it to help assist with Mrs A's instructions. But I've looked over the emails and contact with Santander and remain of the view there was no authority on file for it to communicate with him about the detail of Mrs A's banking arrangements or deal with Mr W as a third party acting on her behalf. In short, there was nothing on file from Santander's perspective from Mrs A that showed Mr W was communicating with it on her behalf. And, as I noted in my provisional decision, there's a standard process for appointing a third party to communicate and act on a customer's behalf.

I can see that emails from Mr W did lead to contact being made with Mrs A at various times. I appreciate it may've felt that Santander were being difficult in terms of the level of communication with Mr W. But for the reasons I've given above and in my provisional decision I'm satisfied it acted fairly.

Mr W's highlighted that Santander will deal with a complaint via a third party on a customer's behalf. But that would be subject to the necessary third party authority being provided by the customer.

I understand Mr W's view that sending a cheque lacked the necessary security. But the cheque was received by Mrs A and successfully deposited. And Santander's contact notes show that when it spoke with Mrs A she agreed for a cheque to be sent in place of a transfer. So whilst I note Mr W's comments and view, I haven't been persuaded Santander acted unreasonably.

Identification was sent to Santander at the end of March 2022 and the funds were transferred around three and a half months later. But I think it's reasonable to say the identification submitted as an expired passport and identification card. Translation was required before the identification could be processed and withdrawal approved. I agree that took a reasonable length of time, but I'm satisfied that reflects the account block and requirement to process Mrs A's identification. I haven't seen evidence that shows the time taken led to a financial loss for Mrs A or an unreasonable level of inconvenience.

I remain of the view that the fairest way to resolve Mrs A's complaint is for Santander to pay her £40 to cover the fee she incurred when depositing the cheque. As a result, I'm going to proceed on that basis.

My final decision

My decision is that Santander should pay Mrs A £40.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 1 February 2023.

Marco Manente
Ombudsman