

The complaint

Mr and Mrs A complain that Santander UK Plc closed Mrs A's accounts unfairly.

What happened

Mr A, on behalf of Mrs A, says she received blank letters from Santander about her accounts, as well as phone calls asking about personal details. Following this, her accounts were blocked. Mr A says this had also happened a year earlier, in June 2021. On that occasion, Santander apologised and paid Mrs A £300 compensation for their error. So, Mr and Mrs A expected this to be an error also. However, Santander eventually wrote to Mrs A providing two months' notice they would close her accounts, which they did.

Santander explained that they had previously asked Mrs A for evidence showing proof of her pensions and property deeds for her current property, and that this was a part of their 'know your customer' checks they are required to carry out. As they did not receive these documents, they made the decision to provide notice of closure and eventually close her accounts.

Mr and Mrs A felt this was unfair and that they had not been provided adequate notice of exactly what Santander needed from them as part of the know your customer checks and that the blank letters they received were confusing. They also again highlighted that this issue had occurred the year before, but Santander had apologised and provided £300 compensation.

Our Investigator looked into the complaint and felt that Santander acted fairly when it asked Mr and Mrs A for specific evidence and then closed the accounts when they didn't receive this information. But they did think Santander could have been clearer in its information requests and that it should not have sent blank letters to Mrs A, so felt £200 compensation was reasonable in the circumstances. Santander eventually agreed to this.

Mr and Mrs A did not agree with this. They felt more compensation was due but made it clear that compensation was not their goal and that they would be happy paying anything they received to charity. They maintained that it wasn't clear what they were meant to provide to Santander.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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.

Having done so, I agree with the Investigator for largely the same reasons. I think Santander acted reasonably when it asked Mrs A for additional information and that it decided to close her accounts when it did not receive that information. I also think that Santander could have been clearer at times, so I agree the £200 compensation is fair recompense for any distress

or inconvenience this caused Mrs A.

I've firstly considered the information Mrs A was asked to provide. This was proof of her pensions as well as property deeds for her house to show proof of ownership. Santander has explained they required these to comply with their 'know your customer' checks, which are a part of their due diligence as a financial institution. From everything that I have seen, I think Santander were acting reasonably when they asked for this information.

Santander has provided a copy of a telephone call from June 2021 which occurred following the original blocks placed on Mrs A's accounts. In the call it was explained that the blocks had been temporarily lifted as Mr A had confirmed he would send the information in that was requested. In this telephone call, it was made clear that Santander required proof of Mrs A's pensions as well as the property deeds. In the call, Mr A was resistant to the idea of providing the property deed as he felt Santander should obtain this themselves through the land registry. And he felt it was unnecessary to provide proof of Mrs A's pensions.

Listening to this phone call, I think it was made clear to Mr and Mrs A what information was required from them. And the consequences of not receiving this information was also clearly set out during the call which was that the account would again be blocked and could be closed. It is unclear what followed as Santander did not receive the information it requested and yet Mrs A's accounts were not blocked again until the following year. Santander has said it changed its policy briefly on blocking accounts but has not provided evidence of this. However, I don't think Mrs A has been disadvantaged by this delay, so I don't think Santander needs to take any action to remedy this.

I can see that in early February 2022 Santander sent Mr and Mrs A a letter which said that while they did receive some information from Mr and Mrs A in June 2021, this did not include the proof of pension or property deeds. And I can see Santander sent a further letter in March 2022 in which they again set out that they required the information mentioned above. Because of this, I think Santander gave Mrs A fair warning of exactly what they required. And I therefore think it was reasonable that they chose to close Mrs A's accounts when they did not receive this information.

I've looked at the terms and conditions of the account and these set out that Santander may close the account without providing a reason as long as they give notice. I've reviewed the terms and conditions and I'm satisfied that Santander closed Mrs A's accounts in line with them, and that they provided reasonable notice when they did so. I think they followed the correct process and I can't see they have made an error in the circumstances.

I can see that Santander did send Mrs A a number of blank letters. Santander has pointed out that these did contain a contact number on them which Mrs A could have called to find out more. But ultimately, I think these letters were sent in error and that similar blank letters had been sent the previous year, so Santander were aware of this issue. And I don't think it would have been obvious to Mrs A that she should call the number on the letter when she received these letters. I think this has caused confusion and has caused some distrust in Santander from Mrs A, which is understandable. On balance, I think the £200 compensation previously recommended is fair and is in line with what I would have recommended in the circumstances.

Overall, I'm satisfied that while some errors were made, what Santander has now agreed to do is an appropriate way to resolve this complaint, so I won't be asking it to do anything more.

My final decision

I uphold Mr and Mrs A's complaint in part. I now instruct Santander UK Plc to pay Mr and Mrs A £200 compensation if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr A to accept or reject my decision before 6 April 2023.

Rebecca Norris
Ombudsman