

## **The complaint**

Mr S complains that Santander UK Plc blocked and then closed his account without notice. He'd like to be compensated for this.

## **What happened**

Mr S held an account with Santander. He attempted to withdraw some money in branch to pay a builder, only to be told his account was blocked. He tried to find out what was happening but couldn't get any information.

Unhappy with this Mr S raised a complaint, but Santander didn't think they'd done anything wrong. They said they had certain legal and regulatory obligations to meet, and the block wasn't due to any mistakes on their part. They said they couldn't provide a reason why. Shortly after this Santander wrote to him to say his account had been closed, and a cheque was sent for the balance.

Mr S referred the complaint to our service. He said because he hadn't been able to withdraw the funds, he'd received a charge from the builder. He said without access to money he'd had to take a loan from a friend, and the whole situation had affected his mental health. He also said he'd been sworn at in branch. Our investigator felt the complaint should be upheld in part – they said Santander were within their rights to block the account and withhold funds. They said the review had progressed in good time, and that the funds had been released to him in good time. They couldn't find that branch staff had been rude to Mr S. But they said they didn't think Santander had shown that they gave the correct notice when deciding to close the account. They awarded Mr S £50 in compensation for the stress this caused.

Santander accepted, but Mr S disagreed. He submitted further evidence on the effect on his health from his doctor, as well as the charge he says he received from his builder. He wanted an explanation of why his accounts had been closed. This didn't change the investigator's mind, so the case has been passed 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.

As a regulated financial business Santander have strict legal and regulatory obligations that they need to meet – and this means on occasion they may need to review accounts, and it's not unreasonable that they restrict accounts while they do so. They're under no obligation to tell their customers the purpose of the review. So, while I know Mr S would like to know more – Santander have declined to discuss this any further with him, which isn't unreasonable.

I've considered the reasoning Santander have given our service about the review, and I'm satisfied with their reasons for doing so. The review was completed within a reasonable timeframe. I appreciate Mr S will have found this frustrating, but I can't say Santander have been unreasonable in doing this.

Banks are also entitled to close accounts, as they can choose who they provide accounts to. So, it's not unreasonable in itself that Santander closed Mr S' account. But to do so they should comply with the terms of the account. Santander closed Mr S's account immediately when the review was complete. Under the terms of the account there were only a limited set of circumstances that they can do this for. Having reviewed these terms myself, I'm not satisfied that Santander have demonstrated the circumstances met any of these terms. Overall, it seems to me that as Santander ought reasonably to have given Mr S the 60 days' notice outlined in the terms.

I've gone on to consider the impact of this on Mr S – and I thank him for the evidence he's submitted to us. I accept this has been a difficult time for him. I've considered the invoices he's sent to us, such as from his builder. But I'm not satisfied these directly relate to the account closure – as mentioned I find the block was reasonable, so any delays in withdrawing the funds wouldn't be something I'd compensate for.

Mr S has also provided a handwritten loan agreement from a friend – although I note the date on this is over 11 months after his Santander account was closed. So, I don't feel this is related. I've also considered what he said about being sworn at in branch, but there's little evidence for me to go on there.

Having said that I can see there were some regular payments out of his account – such as for car finance and a service plan – that Mr S would have to rearrange at short notice. Likewise, there appear to be regular deposits into the account that appear to be Mr S' wages that he would have to rearrange. But the rest the majority of transactions on the account seem to be smaller cash withdrawals. And Santander returned the funds to him in a timely manner – and that they sent a cheque Mr S was able to cash suggests to me he was able to get alternative banking facilities set up. So, the impact of the lack of correct notice seems to be minimal – on that basis I'm satisfied £50 is a fair reflection of that.

### **My final decision**

My final decision is that Santander UK Plc must pay Mr S £50 compensation for the stress and inconvenience caused by not providing the required closure notice.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 13 April 2023.

Thom Bennett  
**Ombudsman**