

The complaint

Mr M complains that Santander UK Plc blocked his account and withheld funds without reason. He would like an explanation and £20,000 compensation.
Mr M is represented by Ms D.

What happened

The facts which led to Mr M bringing his complaint to our service are well known to both parties, so I am not repeating them in full here.

In summary Mr M's accounts were blocked and he had no access to his funds. Mr M had paid three cheques into his savings account. The cheques had previously been issued by Santander. He transferred these funds to his current account and closed his savings account.

Mr M says his account was blocked between 8 March 2022 and 24 April 2022. He wasn't given warning of the account being unblocked.

Mr M has mentioned how he was impacted by the block on his account. He made daily trips to the branch, he had no money to pay for food and essential items and had to use a food bank. His bills went unpaid due to the block on the account. He was unable to take part in religious celebrations and all this had an impact on his health.

Our investigator thought Santander were entitled to review and block the account. However, she thought Santander should have let Mr M know that the account was operating again once the block was lifted. She thought Santander should pay Mr M compensation for this in the sum of £100.

Mr M through his representative said he was unhappy with the view. He didn't think it took into account the impact the block had on him. He thought that as there was no evidence of fraud on his account, he didn't know what had led to a review of his account. He didn't think the bank could be right to block the account and deny him access to his money. Mr M wanted to know what evidence we had relied on to reach our view and what reasons the bank could have to block his account given the circumstances.

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.

I would like to reassure Mr M that while I may not comment on everything raised, I've thoroughly read and considered all the evidence and arguments from both sides. My

outcome focuses on the relevant key issues, and on what I consider fair and reasonable in all the circumstances of the case.

Mr M wants to know what evidence we have relied on to reach our view on his case. Our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains information about other customers or security information. Some of the information Santander has provided is information that we considered should be kept confidential, so I won't be sharing a lot of detail with Mr M, but I'd like to reassure him that I've considered everything.

Account review

Mr M's account was blocked. The business has said Mr M's account was blocked from 5 April 2022 to 20 April 2022. Mr M's representative states that Mr M's account was blocked from 8 March 2022. However, looking at the statements I can see Mr M was able to use his card to make payments in supermarkets and make a couple of card withdrawals after 8 March and the evidence on his current account statements suggest his account was blocked from 5 April 2022. I can see that the savings account was closed on 8 March 2022 and the savings account balance of over £43,000 was credited to Mr M's current account. I accept that during the period of the account block from 5 April to 20 April Mr M didn't have access to the funds in his account.

I'll start by setting out some context for the review of Mr M's account. UK legislation places extensive obligations on regulated financial businesses. 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. These obligations 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.

This is reflected in Santander's terms and conditions. These say Santander can block an account or card to meet its legal obligations and delay payments if needed to carry out further checks. I am satisfied Santander were complying with these obligations when they reviewed Mr M's account. So, I don't think they have acted unfairly by carrying out the review.

Mr M through his representative has said that Santander had no evidence of fraud on the account so no reason to block Mr M's account and no reasons had been given to Mr M. In essence Mr M's representative thought that as the cheques paid into Mr M's account were issued by Santander it meant Santander could have no reason for reviewing Mr M's accounts.

I Understand what Mr M is saying. However, as the investigator mentioned Santander isn't obliged to give Mr M a reason for the account review. I understand that Mr M wants Santander to explain the reason it applied the block to his account. And he wants the information it relied on to do so. But Santander doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr M the reasons behind the account block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr M this information. And it wouldn't be appropriate for me to require it to do so.

Mr M has said that the account was blocked for 7 weeks. I've looked at the evidence and I'm satisfied as I mentioned before that Mr M's account was blocked for around 2 weeks, I have

gone on to consider if Santander caused any delays whilst it reviewed Mr M's accounts and I'm satisfied that it didn't.

Mr M has said that Santander should have told him that the account was unblocked on the 20 April and given him notice or warning that the account was unblocked. I understand from Mr M and his representative that staff at the branch saw him passing and let him know that his account had been unblocked. Mr M was able to withdraw £2,000 from his account on 22 April 2022. Our investigator awarded £100 in compensation for this and having reviewed the evidence I don't see a reason to increase this amount.

Opening other accounts

Mr M has said he had difficulty opening another account and he is concerned that Santander have placed a marker on his file. I have looked at the evidence and I'm satisfied that Santander haven't placed a marker on Mr M. I can't account for why Mr M may be finding it difficult to open another account, but Santander can't be held liable for this.

Impact of the block.

Mr M has told us of the impact the block had on him. I appreciate he had to use a food bank and borrow money from family and friends to pay telephone bills that were due. I know Mr M went to the bank almost daily and contacted his representative almost daily also as he was anxious to know the outcome of the situation. I accept that Mr M had no other account and he had been a long-standing customer of the bank. Mr M has also said he was unable to celebrate a religious festival due to not being able to access the funds in his account. Mr M has provided us with information including a doctor's letter that sets out the impact all this had on his health.

Mr M has suggested he would like compensation of £20,000 for the impact the block had on him. Firstly, I'd like to say I'm very sorry that Mr M had such a lot of trouble because of the review and block on his account. I appreciate the timing of the block coincided with a religious festival and because of lack of funds he wasn't able to celebrate as he would have liked. When deciding on compensation in these circumstances I must look at whether the bank made an error. Having done so I can't say that Santander made an error when they reviewed and blocked Mr M's account so it follows, I can't award Mr M compensation although I appreciate the block had an impact on him.

I know Mr M will be disappointed by my decision. In summary I accept Santander acted fairly and in line with its legal and regulatory obligations when it reviewed and blocked Mr M's account. It follows I won't be awarding compensation for the impact the block had on Mr M. I consider £100 compensation because Santander didn't let Mr M know the block was lifted is fair and reasonable and I won't be increasing this amount.

Putting things right

Santander should pay Mr M £100 compensation for the delay in communicating the account restriction had been lifted.

My final decision

For the reasons stated above I require Santander UK Plc to pay Mr M the amount of £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 12 April 2023.

Esperanza Fuentes
Ombudsman