

The complaint

Miss B complains that Santander UK Plc closed her account and will not re-open it.

What happened

In summary, Miss B received two transfers which were flagged by the sending bank as fraudulent. As a result, a block was placed on her account and Santander eventually closed it following a review. They gave her 30 days' notice of this.

Miss B referred the complaint to our service and the Investigator agreed that Santander had closed the account in line with the terms and conditions. So, they did not think Santander had to re-open the account or provide reasons as to why they closed it.

Miss B disagreed with the outcome. She was unhappy that Santander had placed a fraud marker against her name which was stopping her from opening bank accounts elsewhere and wanted this removed.

The case was passed to me, and I issued a provisional decision, which read as follows:

I think Santander acted reasonably when it decided to close Miss B's account and did not agree to re-open it. And I can confirm that it has already removed the fraud marker against Miss B's name. As Miss B may not have been made aware of this previously, I wanted to let her know and give her the chance to respond with any additional comments or evidence before I issue a final decision.

I firstly considered if it was reasonable for Santander to close Miss B's account. The terms and conditions for the account state that Santander may close the account at any time by giving notice, without giving any reason. They also state that one of the conditions of the account is that the account holder does not act in any way as to give rise to reasonable suspicion of fraud or other criminal activities. Looking at this, I'm satisfied that Santander closed the account in line with the terms and conditions when it gave 30 days' notice. As I think they have followed the correct process, I can't see they have made an error in the circumstances.

As I think Santander's decision to close Miss B's account was reasonable, it therefore follows that I don't think they made an error when they decided not to re-open it. They were under no obligation to, and I see no reason for them to overturn their decision.

Miss B was concerned that she had a fraud marker placed against her name, which affected her ability to open bank accounts with other providers. I can see that the marker was placed at the same time that the account was closed. And this was based on the information available to Santander at that time. Namely that the funds in question had quickly been transferred out of her account after they were received, with a reference of 'wages' despite that fact that Miss B was listed as unemployed on their system. Because of this, a decision to place a marker, known as a CIFAS marker, was made. And based on the information that was available to them at that time, I think this was reasonable.

Miss B then submitted an appeal request and as a result of this, Santander agreed to remove the CIFAS marker in January 2022, and they have confirmed this has been completed. While I have not seen the contents of the appeal that led to the marker being removed, the notes suggest this was a statement showing proof of where the credit came from. And it appears this led to Santander removing the marker, as requested.

In summary, based on what I've seen so far, I think it was reasonable that Santander decided to close Miss B's account with 30 days' notice and did not then re-open it at a later date. And I think their decision to place a CIFAS marker based on the information available at that time was reasonable, though this was later removed after they received additional evidence from Miss B.

Santander responded and accepted my provisional decision. Miss B did not respond with any additional comments or evidence.

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 neither party has provided anything further for me to consider, I see no reason to deviate from the findings set out in my provisional decision.

So, for the reasons outlined above, I think Santander acted reasonably in the circumstances and I don't require them to take any further action.

My final decision

I do not uphold Miss B's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 25 May 2023.

Rebecca Norris

Ombudsman