

## Complaint

Mr S is unhappy with Santander UK Plc's decision to close his account.

## Background

Mr S had an account with Santander. In November 2022, he applied for an ISA. His application was subject to checks and Santander discovered fraud markers had been recorded against his name by another business. In the light of that information, Santander blocked his account and told him it would be closed after a notice period of 60 days.

After efforts by Mr S, he pieced together what had happened. He contacted the business that was responsible for loading the marker. It confirmed that there was nothing to suggest Mr S was involved in fraudulent activity – instead, the loading should've recorded that he'd been the *victim* of impersonation.

He complained to Santander. It said that its decision was based on the information that had been recorded by the other bank. That information has since been corrected, but it was entitled to rely on it at the time and take the action it did. It didn't accept that it had done anything wrong. Mr S was unhappy with that response and so he referred his complaint to this service. It was looked at by an Adjudicator. She agreed that it wasn't Santander's fault that the information was inaccurate. However, she noted that the block on the account had caused Mr S significant difficulties and she thought it should pay him £100 in recognition of that inconvenience.

Mr S disagreed with the Adjudicator's view. He's seen a copy of the information currently recorded with Cifas. He says that this shows that Santander must have received information which contained conflicting statements – both that he was a fraudster and a victim of fraud. He said that it's common sense that at least one of those statements must be wrong – after all, he cannot be the victim and perpetrator of the same fraud. He wasn't happy that Santander didn't contact him to discuss the problem. He's also unhappy that it doesn't appear to have taken any steps to contact the other parties involved. He thinks the de

Because Mr S disagreed with the Adjudicator, the case was passed to me to consider. I wasn't persuaded that £100 was adequate compensation, given the additional steps Mr S had to undertake to figure out why his account was being closed. I proposed an award of £200, which Santander agreed to pay. Mr S didn't accept that offer and so the case has come back to me to issue a final decision.

## Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Santander has extensive obligations in respect of preventing the use of its accounts for fraud and money laundering purposes. Once it identifies a risk that one of its accounts might be used for such purposes, it does need to act quickly. It is therefore understandable that it would choose to block the account if it had a reasonable basis for thinking that was the case.

It's hard to know for sure what information Santander saw when it consulted the Cifas database. Historic versions of entries are not available – so once the other bank corrected its error in reporting, it was no longer possible to know for sure what information Santander saw. However, I can see the notes that were recorded on its internal records by the employee who consulted it.

Each separate entry on the register has a unique identifier associated with it. The Santander employee noted down each of the entries related to Mr S, including those unique identifiers. That means it's possible to see whether the contents of individual entries differed at the time. The notes taken by the Santander employee suggest that the same entries that now describe Mr S as being the victim of fraud didn't do so at the time. On balance, I think it's likely that Santander didn't look at conflicting information in the way Mr S has described. Although it later turned out that it didn't need to restrict or close his account, it did so based on inaccurate data loaded by a different bank.

Having said that, I think it should have done more to help Mr S find the underlying cause of this error. From everything I've seen, Mr S had to do a significant amount of work to figure this out. He had to consult his credit file, contact Cifas directly and raise queries with two other businesses. This took him a great deal of time and, from the way he's described it, it seems to have caused him a significant amount of stress. Santander has offered to pay him £200 in recognition of that and I think that's a fair sum in the circumstances.

### **Final decision**

For the reasons I've explained above, I uphold this complaint. If Mr S accepts my decision, Santander UK Plc should pay him £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 July 2023.

James Kimmitt  
**Ombudsman**