

The complaint

Mr Z complains that Santander UK Plc allowed him to deposit a cheque which was payable to him and his ex-partner into an account in Mr Z's sole name and wouldn't allow him to collect the proceeds of the cheque. Mr Z is also unhappy that his account was blocked after he deposited another cheque and took too long to allow him access to his funds.

What happened

Mr Z opened a basic bank account with Santander.

Mr Z deposited two cheques into the account. In March 2022, he deposited a cheque for just over £11,000, which I will refer to as cheque A. This cheque was made out in his name and his ex-partner's name, who I will refer to as Miss K, and represented the closing balance of a joint account held in their names with a different bank.

In May 2022, Mr Z deposited another cheque into his account for just under £500. I will refer to this as cheque B. This cheque was made out in his sole name.

Following this Santander blocked Mr Z's account and asked him to provide it with information about his entitlement to the two cheques. Mr Z provided Santander with a copy of a bank statement for the account he'd held with Miss K at another bank. This showed that a cheque had been issued for the closing balance. Santander looked at the information but didn't think it was enough to show Mr Z was entitled to the money, so on 16 May 2022, it reached out to the bank that had issued the cheques. The other bank confirmed it had issued both cheques that Mr Z had deposited into the Santander account and that cheque A had been the closing balance from a joint account.

Mr Z made a number of calls to Santander during May and July 2022 trying to find out what was happening with his account and told that the bank that he needed access to the funds to pay for an operation he was having overseas. But Santander didn't always get back to him and when it did wasn't able to tell him much.

Santander unblocked Mr Z's account on 13 July 2022 and allowed him access to the proceeds of cheque B. However, it said it couldn't allow Mr Z access to the proceeds to cheque A due to it being in both Mr Z's and Miss K's name. Santander also recognised that it should have unblocked Mr Z's account sooner than it did. It apologised and paid Mr Z £100 compensation for the trouble and upset he'd been caused. Mr Z said he also wanted the bank to release the proceeds of cheque A. But Santander said it couldn't credit the cheque to his account as it was in joint names.

Mr Z brought his complaint to our service where one of our adjudicator's looked into what had happened. He said Santander hadn't done anything wrong when it had blocked Mr Z's account and had done so to comply with its legal and regulatory obligations. However, he said that Santander had made a mistake in allowing Mr Z to deposit cheque A into his sole account. So, he said Santander should pay Mr Z some more compensation. Santander

agreed and offered a further £100 compensation. It also reissued cheque A to Mr Z in his and Miss K's name.

Mr Z didn't accept the adjudicator's view. He said the amount of compensation offered is not enough. He wants more money for the trouble he's been caused by Santander's actions.

As no agreement could be reached 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.

Santander have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's common industry practice for firms to restrict access to an account to conduct a review on a customer and/or the activity on an account. The terms of the account also permit Santander to block an account. This means Santander is entitled to block and review an account at any time.

Having looked at all the evidence Santander has provided I don't believe it was unreasonable in the circumstances for Santander to block Mr Z's account. Santander has explained that this was its standard procedure, and I accept that it was. I'm satisfied that in doing so Santander were complying with its legal and regulatory obligations. So, whilst I accept, the bank's actions caused Mr Z inconvenience and upset when it decided to block his account and asked him to provide information, I can't say the bank did anything wrong and treated him unfairly in doing so.

However, while Santander are entitled to carry out a review, we'd expect them to do so in a timely manner and without undue delay. Santander initially blocked Mr Z's account on 5 May 2022. I can see that Santander asked Mr Z to provide it with information and Mr Z did so quickly. And that Santander completed its enquiries with the other bank about the cheques on 16 May 2022. However, following this, Mr Z's account remained blocked for just under another two months.

Santander hasn't offered an explanation why it took so long to complete its review. I can also see that Mr Z contacted Santander on more than one occasion during the time his account was blocked and told them he needed access to the funds for an operation. But Santander didn't always get back to him. So, I'm satisfied Santander has caused unnecessary delays in releasing Mr Z's funds and its communication could have been better.

Santander accepts its service fell short and have paid Mr Z £100 compensation for the trouble and upset Mr Z was caused. I've considered what Mr Z has said about how Santander's actions impacted him. I've no doubt this was a worrying and upsetting time for him. But I'm satisfied that £100 compensation recognises the impact Santander's actions had when it was completing the review of his account. So, I won't be directing Santander to pay any more to resolve this aspect of his complaint.

I next turn to Mr Z's complaint point about the deposit of cheque A into his account. Mr Z says he wants the proceeds of the cheque, and that Santander shouldn't have allowed him to deposit cheque A into his account. I can understand Mr Z's difficulty in understanding how the bank could have paid a cheque made out to him and his ex-partner jointly into an account in Mr Z's sole name. The simple fact is that it shouldn't have, and in doing so Santander made a mistake.

Mr Z says he has lost out on the proceeds of the cheque. And he has explained that he has had difficulty depositing the cheque with other banks due to it being made out in joint names. So, he wants the money that the cheque represents. He says that the cheque represents money made up from savings and wages over the years. And is his. I note too that Mr Z says he has not been in contact with Miss K for around twenty years and does not know her whereabouts.

I appreciate that Mr Z finds himself in a difficult position, but I've not seen any evidence that supports what Mr Z has said about his sole entitlement to the funds, which the cheque represents. I've looked at the evidence Mr Z provided Santander, which was a bank statement from the account he held with Miss K. And I am not satisfied that this does show what he says. I say this because there is a payment into the account with a reference to Miss K. I also do not know what if any arrangement Mr Z had with Miss K about the money in their joint account. So, I won't be directing Santander to pay Mr Z the proceeds of the cheque, because I can't be sure he is entitled to all of it.

Due to the time that has now passed Santander can't say how this mistake came to be made which allowed the cheque to be deposited into Mr Z's account. However, it has recognised the trouble and upset its mistake caused Mr Z. It has now offered Mr Z a further £100 compensation and recently reissued the cheque to Mr Z made out in joint names. I think this is fair and reasonable. I'm satisfied that this puts Mr Z back in the position he would have been had Santander not made the mistake it did in allowing Mr Z to deposit the cheque into his account in the first place. And the £100 compensation recognises the impact Santander's mistake had on him. So, I won't be asking Santander to do anything more.

My final decision

For the reasons I've explained I uphold this complaint and direct Santander UK Plc to put things right by doing the following:

- Pay Mr Z £100 compensation for the trouble and upset caused by the bank incorrectly allowing Mr Z to deposit a joint cheque into his sole account

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 17 November 2023.

Sharon Kerrison
Ombudsman