

The complaint

Ms A and Miss M complain that Santander UK Plc blocked their account when they wanted to send funds to a friend. They would like compensation.

Ms A and Miss M are represented by Mr R.

What happened

The facts which led to Ms A and Miss M bringing their complaint to our service are well known to all parties, so I am not repeating them in full here.

In summary Santander blocked their account on 9 August 2022 after Miss M went into branch to arrange to send £40,000 pounds in dollars to Mr R as a loan.

Santander were concerned about the transfer and asked Miss M some questions. Miss M answered Santander's questions. She confirmed she had known Mr R for over 40 years, and they had visited each other. She said she had lent him funds in the past which he had always repaid. She said Mr R needed the money to pay a legal bill for a lawsuit.

Santander asked Miss M to provide evidence to support her story. In the meantime, the account remained blocked, and the transfer wasn't sent.

Miss M provided Santander with emails, and bank statements showing previous funds advanced as well as a copy of the legal bill showing the money Mr R needed to pay his lawyers. She provided this to Santander on 10 August 2022.

Miss M has told us she would receive 8% interest quarterly during the duration of the loan and 10% bonus when the capital was repaid. She estimates her losses to be in the region of £4,720.

Santander unblocked the account on 23 November 2022.

Miss M has said that the block on the account meant that she was unable to make payments towards her wedding expenses and some expensive dental treatment that she was having. She also couldn't help her friend Mr R who was in need of the money, and she lost out on the interest he was going to pay her on the money he borrowed.

I know that Miss M was concerned at the block of her account. There was a substantial amount in the account, over £105,000. Miss M has told us she was getting married and had dental treatment she needed to pay for and the block on the account was inconvenient to her. She was told that she would be contacted by Santander once the information was reviewed.

One of our investigators looked into the complaint. In her original view she said that Santander had been right to review the account and payment and ask for information from Miss M. But she thought Santander had caused delays in the review and hadn't unblocked the account until 23 November 2022. She recommended compensation of £150 for the

inconvenience and 8% interest on the £40,000 Ms A and Miss M hadn't had access to from 10 August 2022 to 23 November 2022.

Mr R was unhappy with the view he said there was £105,000 in the account and therefore Ms A and Miss M had been deprived of those funds not just £40,000 and interest should be paid on those funds. Mr R also said that Miss M hadn't been told the blocks had been lifted. Miss M found out on receipt of our investigators first view on 20 April 2023. Miss M had waited for Santander to contact her to tell her the block had been lifted, as she had been advised to do by Santander. Mr R also said that Miss M had lost interest and a bonus payment for not being able to lend the money to her friend Mr R. Mr R also thought that Miss M had been caused a lot of stress as the situation had continued for a number of months and therefore compensation should be increased.

Santander agreed to the original first view recommendations.

Our investigator asked for further information from both parties.

Mr R had said Miss M would have moved all the funds into a higher interest paying account and she had been deprived of this opportunity. However, the funds weren't withdrawn from the account until 5 May 2023 so the investigator couldn't conclude that the funds would have been moved to a higher savings account.

Santander said Miss M could withdraw funds in branch for everyday expenses – Santander would have allowed payments to cover wedding and dental expenses had sufficient evidence been provided.

The investigator issued a second view. She said she wouldn't recommend interest of 8% being paid on the total in the savings account of over £105,000 because the money was incurring interest during this time the account was blocked and the evidence suggests the funds were to remain in the savings account. She also thought Miss M had been told the account was unblocked on a call on 14 November 2022.

Following further information, a third and final view was issued by the investigator. She couldn't be certain that Miss M had been told her account was unblocked in November 2022 as Santander had claimed. She agreed it was likely that Miss M hadn't been told of the block being lifted and so 8% should be payable until 13 April 2023. Therefore, she was changing her original outcome so that Santander should pay Miss M 8% interest of £40,000 she was deprived of sending Mr R from 10 August 2022 to 13 April 2023. Her recommendations for trouble and upset remained at £150.

Mr R representing Ms A and Miss M was unhappy with the outcome

Santander were also unhappy with the outcome they said:

- Although they hadn't explicitly told Miss M that her account had been unblocked the customer was able to use the account during the block for certain payments.
- Miss M visited branches to pay cheques in and Santander believe she would have been advised of the account being unblocked.
- The customer had other accounts and therefore wouldn't have been inconvenienced.
- They agree to paying interest up to November 2022 but not further.

As there was no agreement the matter came to me and I issued a provisional decision.

In my provisional decision I said:

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

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr R on behalf of Ms A and Miss M and Santander have said before reaching my decision.

Block

Santander blocked Ms A and Miss M's account when they were concerned that Miss M may be the victim of a scam because she was sending £40,000 to Mr R.

I appreciate the bank wanted information about the nature of the payment and in order to prevent potential harm they blocked Miss M's account and asked for information to evidence Miss M's story.

I accept that this was inconvenient for Miss M. However, I would expect the bank to act in precisely the way they did. Banks have legal and regulatory obligations. 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. Banks have an ongoing duty to prevent fraud and safeguard their customers money. I'm satisfied Santander were complying with these obligations and seeking to safeguard Miss M's funds when they refused her payment instructions, asked her for information, and they blocked her account pending a review.

Miss M provided the information that the bank requested on 10 August 2022.

Access to funds during the block

Miss M has said that she didn't have access to the funds in her account during the block which she needed for her wedding and to pay for dental treatment.

I have seen from the calls Miss M had with Santander that she was told that her card remained active, but she wouldn't be able to transfer funds whilst the review was taking place. So, although it may not have been as convenient, Miss M was still able to use her card to pay for day-to-day expenses. I note she was also able to pay for her credit card bill and to take £600 out in cash during the time of the block.

Miss M has told us she needed to borrow £10,000 in order to cover the costs of her dental treatment and her wedding. She paid these funds back on 5 May 2023. Although I appreciate Miss M decided to do this, I am aware that she had funds in another account with another bank I will call B and could have used her card which remained active throughout the block.

In addition, having looked at her statement for October 2022 I can see that the balance on her account with bank B was £22,440. Miss M already had £18,000 in her account when she paid the £10,000 loan into her account. It seems not all the money Miss M borrowed was actually used for dental treatment and the wedding from the evidence I've seen. In any event I'm satisfied that Miss M was able to go ahead and pay for her treatment and her wedding

with funds she had available albeit she borrowed money from friends. I'm satisfied Miss M mitigated her losses which is what she would be expected to do in any dispute.

I note that Miss M asked to cancel the payment of £40,000 and also to close the account in an effort to get access to her money. Santander said they wouldn't be able to carry out any of these requests whilst the account was under review due to security and scam concerns. I accept that this answer would have been difficult for Miss M especially as two months had passed since the block on her account and her wedding was coming up. I wouldn't expect Santander to allow her access to her funds without having completed the review first, so I don't think they did anything wrong in not agreeing to Miss M's requests to close the account.

Review delay

I turn now to the review carried out by Santander. Based on the evidence, I see that Santander received the documents from Miss M on 10 August 2022. Santander have said this wasn't reviewed because of backlogs, until 23 November 2022. Therefore, there was a delay in reviewing Miss M's account. Santander could have done better here. When they reviewed the information in November 2022, they didn't ask for any further evidence. This suggests that Miss M had provided everything that was needed to carry out the review and unblock her account on 10 August 2022.

Santander have said they lifted the block on Miss M's account on 23 November 2022 following the successful completion of the review. Miss M through her representative Mr R has told us that she didn't get a confirmation from Santander that the account block had been lifted. Miss M said she learnt that her account was operational when our investigator issued her first view on 20 April 2023.

Santander have said they don't notify people that a block has been lifted on their account. The implication being that Miss M should have kept calling to find out if her account was operational or attempted to transfer money in order to see if it went through. Santander have said that as Miss M paid some cheques into branch, she must have been told that the account block had been lifted. I haven't seen any evidence that this is the case. Although I do wonder why Miss M would pay cheques into an account she thought she couldn't access if she had another account.

Santander have said Miss M should have been aware that her account was unblocked. Either because she was bound to have been told in branch or she should have attempted to use her account and she would have realised the account was unblocked. I have little sympathy with this point of view. Miss M did precisely what Santander asked her to do which was to wait to be told the outcome of their review. Unfortunately, Santander didn't do this, and Miss M had to learn of the lifting of the block on the account through our service. I can't see how its fair for Santander to now say Miss M should have called them or tried to use the account when she believed it was blocked. The consequence of this is that as far as Miss M was concerned the account remained blocked until 20 April 2023 and I agree that is the case.

Because of these delays in reviewing the information provided and not informing Miss M of the lifting of the block Santander should pay Miss M and Ms A compensation for the inconvenience. I will deal with the compensation below.

Impact

Ms A and Miss M's account is a savings account which is instant access and bears interest.

Ms A and Miss M had over £105,000 in the account at the time of the block. During the block the account continued to accrue interest, so I'm satisfied that Ms A and Miss M didn't lose out on the interest on the account.

Miss M has suggested that she would have moved the bulk of the £105,000 to an account bearing higher interest and because the account was blocked, she wasn't able to do that, and she should be compensated accordingly. I have seen no evidence that Miss M would have moved her money out of her Santander account. The money had been in the account for some time. There has been suggestion that Miss M wanted the money to purchase property but due to a downturn in the market Ms A and Miss M decided not to proceed. I can see that the bulk of the money, £94,000 was taken out of Santander account on 5 May 2023 and deposited into a different account with a different high street bank. On the evidence I am not persuaded that Miss M suffered a loss of interest and I won't be awarding compensation for this.

Ms A and Miss M had access to the everyday saver account with Santander because they were able to use the card and go to branch in order to arrange for certain payments to be made. For example, the Santander credit card payment on 14 November 2022. They couldn't carry out transfers of funds because the account was under review. I think not being able to carry out transfers, in particular the transfer of £40,000 that was the loan to Mr R would have been stressful because they wanted to help their friend, but the inconvenience would have been mainly Mr R's as he wanted the money for paying legal fees and he wasn't able to get this money when he needed it. I can't compensate Mr R for the stress he suffered as a result of Miss M's account being blocked as he isn't the account holder and isn't the eligible complainant in this complaint. I'm satisfied that although Miss M may have been upset at having her account blocked over what she knew to be a genuine transaction to a friend, the impact on her and Ms A was not substantial, they had access to other funds and Miss M was able to pay for the wedding and dental treatment and had money in the account at bank B for other eventualities.

I have to consider that the review took longer than it should have because of backlogs that Santander had with carrying out the review and Miss M wasn't told that her account had been unblocked for quite some time – so a situation that could have been resolved in less than a week took around seven months. I think this would cause distress and inconvenience knowing that the matter was still unresolved.

I think Santander should pay Ms A and Miss M compensation for this. I think £300 is reasonable in the circumstances, because of the time it took to resolve the issue. In deciding on the amount, I have taken into consideration that Miss M had access to other funds and was able to carry out her plans and pay for her wedding and dental treatment. And the person dealing with the correspondence etc was Mr R and not Miss M. I know Miss M wanted to lend Mr R £40,000 and she wasn't able to do so, but I consider that it was Mr R who was inconvenienced by that, and I can't award Miss M compensation for his inconvenience.

I now come to the matter of the loan for £40,000.

Mr R has said that Miss M lost out on interest of 8% on the money she would have lent him as well as a bonus of £4,000 on repayment of the capital. And he wants this service to award Miss M compensation for these amounts. Mr R has said that Miss M should be compensated for the loss of an investment opportunity because the account was blocked for longer than necessary.

Mr R has submitted evidence of previous arrangements between him and Miss M notably in 2018. I have seen three promissory notes to that effect. I haven't seen any evidence of payments of interest as per the promissory notes. I have seen a payment into Miss M's

account from Mr R's partner. I'm not clear whether this was the capital being repaid plus bonus or whether other payments like interest were included.

Had Santander carried out the review of the payment in a timely manner its likely Miss M would have sent Mr R the funds he needed. However, that doesn't mean that Miss M would have necessarily received the amounts that Mr R has said she would, namely interest quarterly at 8% and a 10% bonus on repayment. I am in no way suggesting that this is a bogus arrangement, or that Mr R wouldn't comply with his side of the bargain had the loan gone ahead but I am aware that this is an arrangement between friends.

Mr R has provided some evidence of a similar arrangement taking place in 2018.

Although there is evidence provided regarding the 2018 promissory notes and loans and money moving back into Miss M's account from Mr R's partner. I cannot be satisfied that this money was payment for the loans or interest and or bonus payments. And although it looks like money lent by Miss M was returned to her, I cannot conclude that the same circumstances would prevail in 2022. There is no promissory note provided for the £40,000 loan that was to take effect in August 2022. I would have expected for the document to have been ready in preparation for the loan being sent to Mr R.

Mr R is suggesting that the arrangement between himself and Ms A and Miss M is a friends' arrangement to lend and borrow money.

Even if Mr R was to provide me with the promissory note for the August 2022 loan, I am not satisfied that the arrangement is one that warrants compensation. I say this because this is a private arrangement between friends and any claim for non-payment of interest or bonus would be speculative. I don't think that Miss M would sue Mr R if he didn't provide the interest payments or the bonus, they are friends after all. I can't therefore be satisfied that Miss M would have received the interest or bonus Mr R says would have been paid and therefore that a genuine loss would have occurred, so I can't require Santander to pay it.

Secondly, even if I accept that Miss M would have lost out on the opportunity to lend and potentially receive a profit, I don't think that this loss should be laid at the door of Santander. I say this because Miss M and Ms A are private individuals who entered into a contract with Santander to be provided with a savings account at a particular rate. At that time, Santander wouldn't have been aware that Miss M intended to derive a profit from lending money to her friends.

Neither would it have been in the contemplation of Santander when it opened the account with Miss M that she would be claiming lost profit if the bank exercised its right to prevent a potential fraud or scam from being perpetrated against Miss M's account by reviewing and blocking the account. I'm satisfied Santander were carrying out a legitimate exercise here. This leads me to conclude that Santander shouldn't be held responsible for this potential loss that Miss M suffered.

I accept that Ms A and Miss M will be disappointed with this aspect of my provisional decision, but on the evidence and for the reasons stated above I'm not satisfied that Miss M and Ms A suffered a financial loss that Santander should be held liable for.

Responses to my provisional decision

Santander have accepted my provisional decision. They said they accept they should have communicated with their customer in November 2022 to let them know of the lifting of the block on their account. They confirmed Miss M did have access to funds in the account during the review period. They thought Miss M would have been able to ascertain the status of the account when she visited branch to pay cheques in. And if she had asked, staff would

have been able to let her know the status of her account. However, they accept that Miss M and Ms A had no confirmation of the lifting of the block until our first view was issued in April 2023.

Mr R on behalf of Miss M and Ms A has made extensive comments. I would like to reassure him that I have thoroughly read and considered all his submissions. I may not comment on everything he has mentioned, I don't mean any disrespect in taking this approach. My outcome focuses on the relevant key issues, and on what I consider fair and reasonable in all the circumstances of the case. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr R on behalf of Miss M and Ms A and Santander have said before reaching my final decision.

The crux of Mr R's main submissions are as follows:

- Mr R says I have accepted that Santander was justified in taking seven months to unblock the account. Even though Santander had enough information on 10 August 2022. He says Santander should have provided this office with the procedure for unblocking accounts.
- Mr R says the blocking of £105,000 over seven months has given Santander considerable profit and they have only had to pay interest of around £39.54 and I've only awarded compensation of £300 – this encourages Santander to continue to behave badly and rewards their behaviour.

Mr R has then gone through the provisional decision and made comments on each section. I will list his comments as they apply to each section of the Provisional decision.

- Regarding the *Block*. Mr R says there was never an issue with blocking the account the issue was with the delay in unblocking the account.
- *Access to funds during the block*- Miss M needed to borrow £10,000 because the account was blocked. Mr R says she wouldn't have had to if Santander hadn't caused a delay in the unblocking of her account.
Santander should have allowed Miss M to close the account as she requested and had Santander not delayed their review, she would have been able to do so.
- *Review delay*- Mr R says they were told by Santander to wait to be contacted once the review was complete. He says Santander is giving false information when it says Miss M was probably told by branch staff that her account had been unblocked.
- *Impact*- Mr R says Miss M did lose interest because she was unable to move funds out of the account during the seven months the account was blocked into a higher paying interest account. How can I say Miss M didn't lose interest
Mr R says I have no information to suggest that Miss M wasn't going to move funds
Mr R has said Miss M was without access to the funds.
Mr R disagrees that Miss M wasn't inconvenienced by him not being able to borrow her money. Mr R thinks it is more than just inconvenience to her that she wasn't able to earn the interest she would have from lending the money.
Mr R has made comments about the backlog of Santander he thinks Santander shouldn't be given an excuse because they say they had backlogs
Mr R has said Miss M didn't have access to her funds and lost out on an investment opportunity because of Santander's delay. He also says that he doesn't understand why his dealing with the correspondence is a criticism.
- Regarding the proposed loan of £40,000 – Mr R believes Miss M is entitled to the loss of investment. He has provided information from previous arrangements. He is suggesting my requirements for information are greater than those from the

Santander Security department and they shouldn't be. Mr R has said the evidence provided regarding the loan was sufficient to allow Santander to unblock the account and should therefore be sufficient for us.

Mr R has said that although the loan is between friends it was a business deal between friends and loans were always repaid as per the agreement.

Mr R suggests that Santander's reasons for the delay are not a backlog as has been suggested

Finally, Mr R says I have made it sound like the delay was unimportant. He suggests I have used Santander's misinformation which he describes as Santander deliberately intending to deceive, to conclude that Miss M shouldn't get 8% interest as suggested by the investigator.

I thank both parties for their comments. Now both parties have had an opportunity to comment I can go ahead and issue my final decision.

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 accepted my findings. I note their comments which are by way of explanation of their previous statements.

In response to my provisional decision Mr R has highlighted a number of concerns which I will now address below in the order they appear in the provisional decision and under the same headings.

Block

As I mentioned in my provisional decision the block was a legitimate exercise and I would have expected Santander to act in the way they did in blocking the account.

Access to funds during the block-

Mr R has said Miss M needed to borrow funds because her account was blocked, and she wouldn't have had to if the account had been unblocked in a timely manner. I have accepted that Santander caused a delay in the reviewing of the account which wasn't completed until November 2022. I accept that Miss M didn't know that Santander had unblocked her account until April 2023 and that is also an error on the part of Santander. Santander have accepted they made an error. I have awarded compensation to reflect the error.

Mr R says Miss M should have been allowed to close the account. But I disagree a bank wouldn't allow a customer to close an account whilst a review was taking place. So, I wouldn't have expected Santander to agree to this request.

Review delay

I have already agreed that Santander should have done better, and they caused a delay in the review of Miss M's account. Mr R says they were told to wait for Santander to contact Miss M once the review was complete. He says Santander is giving false information when it says Miss M was probably told by branch staff that her account had been unblocked. I have already said in my provisional decision that Miss M did what Santander told her to do which was wait for them to contact her. Which unfortunately they didn't do. Santander have accepted they should have informed their customer of the lifting of the block.

Impact-

Mr R has said Miss M did lose interest because she was unable to move funds into a higher interest paying account during the seven months the account was blocked. He says how can I say Miss M didn't lose interest. Mr R also says I have no information to suggest that Miss M wasn't going to move funds.

Mr R has misunderstood what I have said. The account continued to pay interest during the block and therefore Miss M didn't lose out on the interest payable on the account

In relation to interest she may have received had she moved her funds into a higher paying account. I know that Miss M moved the funds out of the account in May 2023 to another account. Mr R says that the new account provides much higher interest than the Santander instant access savings account. The funds had been in the instant access account for a considerable time so I can't be satisfied that Miss M lost out on interest because of the block.

Had Miss M been concerned with maximising interest on her £105,000 she probably wouldn't have chosen an instant access account. I'm also aware that Miss M would have moved the funds out of the Santander account in any event because of the way Santander had treated her during the block. So I can't be satisfied that Miss M would have been earning higher interest in a different account had the Santander account been unblocked sooner. In order to award compensation, I have to be satisfied that Miss M would have incurred an actual loss and not just a potential loss and I am not satisfied she would have incurred an actual loss.

Mr R has said Miss M was without access to the funds. However, this isn't exactly correct. Miss M couldn't transfer the funds she wanted to Mr R, and she couldn't have transacted with the funds – but I am aware that she was able to use her card to pay for everyday essentials. So, although I accept it was inconvenient and uncomfortable to have the account blocked, she was still able to pay for her everyday living expenses. Miss M did have access to other funds and was able to borrow from friends and was able to pay for her dental treatment and wedding. So, the impact isn't as substantial as for someone who had access to no funds and wasn't able to borrow money and couldn't pay for food or rent.

Mr R disagrees that Miss M wasn't inconvenienced by him not being able to borrow her money. Mr R thinks it is more than just inconvenience to her that she wasn't able to earn the interest she would have had from lending the money. I have dealt with Miss M's loss of opportunity to invest below.

Mr R has made comments about the backlog which caused the delay in Santander reviewing the account. He thinks Santander shouldn't be given an excuse because they say they had backlogs. In my provisional decision I am not condoning the backlogs or the lack of information when the account was unblocked – that is why I have awarded £300 to Miss M for the inconvenience this caused. Also, the backlog was of four months the rest was due to lack of information on Santander's part.

Mr R has said Miss M didn't have access to her funds and lost out on an investment opportunity because of Santander's delay. He also says that he doesn't understand why his dealing with the correspondence is a criticism.

I'm sorry Mr R hasn't understood my point. I am suggesting that because he was dealing with the correspondence instead of Miss M, she has suffered less inconvenience and stress which is reflected in the compensation. It isn't in any way a criticism, but it is something I have to take into consideration when considering the compensation due.

In relation to the loan Mr R believes Miss M is entitled to the loss of investment. He has provided information from previous arrangements. He is suggesting my requirements for information are greater than those from the Santander Security department and they shouldn't be. Mr R has said the evidence provided regarding the loan was sufficient to allow Santander to unblock the account and should therefore be sufficient for us.

Mr R has said that although the loan is between friends it was a business deal between friends and loans were always repaid as per the agreement.

When looking at the information I wasn't considering the genuineness of the information provided which is not at issue.

I am trying to establish if interest lost, and bonus lost should be payable by Santander to Miss M. I decided having looked at the evidence that the answer was no. Not because the evidence wasn't sufficient but because the arrangement between Miss M and Mr R wasn't a commercial arrangement but one between friends. Mr R has referred to it as a business deal between friends. But it's precisely because it's between friends that any loss wouldn't be enforced. In addition, Santander wouldn't expect to have to pay for commercial losses incurred by one of their customers who holds a personal account. This type of loss wouldn't have been foreseeable or in the contemplation of the parties at the time they opened the account with Santander.

In my provisional decision I haven't said that Miss M didn't suffer a financial loss, but that Santander shouldn't be held liable for the financial loss that Miss M suffered because this wasn't in the contemplation of the parties when the account was opened. And the potential interest is too remote for it to be legally recoverable.

Mr R has suggested he doesn't believe that Santander's reasons for the delay in reviewing the account are not a backlog as has been suggested. I'm not sure what he's trying to say here- I have found nothing to suggest that the delay was due to anything other than a backlog and then not informing Miss M of the unblocking of the account when they should have.

Mr R says I have made it sound like the delay was unimportant. He suggests I have used Santander's misinformation which he describes as Santander deliberately intending to deceive to conclude that Miss M shouldn't get 8% interest as suggested by the investigator.

I am not aware that Santander have deliberately intended to deceive Miss M. I have looked at the evidence that both parties have provided and decided the case on what I believe to be fair and reasonable. Mr R is suggesting that I have been biased or favouring the bank.

The Financial Ombudsman service was set up by act of parliament as an informal and free alternative to courts. We are a dispute resolution service, and our remit is to decide cases on a fair and reasonable basis taking account of the law and regulations, codes and good practice.

Whilst I do recognise his concern, as an ombudsman service our approach is to consider what both parties say and then reach our own independent conclusions on that evidence. This is how I have proceeded in reaching my decision. I appreciate that it is in the nature of our service and of dispute resolution that one party will be disappointed with the outcome that is reached. However, this doesn't mean that the process is flawed, or the service is biased, as I have explained we are an evidence led service and we look at the information both parties provide before reaching a fair and reasonable outcome.

Mr R has suggested I have accepted that Santander are justified in taking seven months to unblock the account even though they had enough information on the 10 August 2022 to unblock the account. He says the seven months have given Santander considerable profit and by only awarding £300 in compensation Santander will be encouraged to continue to behave badly.

Firstly, I'd like to say that I haven't accepted that Santander were justified in delaying the review for four months or in not communicating the lifting of the block on the account until April 2023. It is because of this error on the part of Santander that compensation has been awarded. And although I accept Mr R thinks the amount of compensation isn't sufficient it is in line with our approach in these types of cases and I have taken into account that Miss M had Mr R representing her to deal with the issue and she had other funds at her disposal.

Finally, Mr R should know that the Financial Ombudsman service isn't the regulator, and it isn't our job to punish institutions and the purpose of our awards isn't to teach a bank a lesson but to compensate a customer for the inconvenience that may have been caused in particular scenarios if it's fair and reasonable to do so.

I can't comment on the interest that Santander may have made on Miss M's money whilst the account was blocked.

Mr R suggests that Santander were deliberately trying to deceive, and Miss M should get 8% interest as awarded by the investigator. I am not aware that Santander have deceived anyone – they have made an error in delaying the review and not letting Miss M know that her account had been unblocked. I have already mentioned in the provisional decision and above why I don't think that 8% interest is payable so I won't be going into this further.

In summary I thank Santander and Mr R for their submissions which I have considered in full. I appreciate Mr R on behalf of Miss M and Ms A will be disappointed by my final decision but having reviewed all the information received by both parties and their responses to my provisional decision I see no reason to depart from my original provisional findings. I remain of the view that this complaint should be partially upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

For the reasons stated above I am partially upholding this complaint and I require Santander UK Plc to pay Miss M and Ms A £300 compensation for the inconvenience caused to them by the delay and lack of information.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A and Miss M to accept or reject my decision before 14 March 2024.

Esperanza Fuentes
Ombudsman