

## **The complaint**

Q, a business represented by Ms T, complains Santander UK Plc lost documents.

## **What happened**

Q held an account at Santander and although there was a credit balance on the account it hadn't been used for some time. Santander blocked the account because it hadn't been used for over a year, and sent a letter to confirm this.

Ms T visited a branch, around a year after the account had been blocked to reactivate it. Ms T took in her identification, a passport and driving licence. Santander took copies of the identification, to be sent off to the relevant department to reactivate the account.

Q's account wasn't reactivated. When Ms T queried this, Santander said it hadn't received any identification. Santander said Ms T could revisit a branch, but she decided to send the identification in by registered post.

Ms T was very worried about the risk of identity theft, because copies of her identification had gone missing. Ms T said she'd be getting new identification. Santander paid Ms T £30 so she could register with a fraud protection agency.

Unhappy with this, Ms T wrote in again. Santander sent a second response where it said it didn't think it had done anything wrong in making Q's account dormant and blocking it.

Santander also said it had now located the identification Ms T took to the branch. But Santander accepted it shouldn't have mislaid Ms T's identification and should have carried out a better search for it when Ms T first contacted it.

Santander offered to cover the cost of a new passport and driving licence, £85 and £20 respectively and offered £250 to compensate Ms T for the distress mislaying her identification had caused.

Ms T didn't think was a fair outcome, and she said someone had fraudulently opened an account in Q's name, and this could only have been done using the form and identification Ms T handed into Santander.

Ms T brought her complaint to this service and an investigator looked into things. The investigator didn't initially think Ms T's complaint should be upheld.

The investigator thought Santander hadn't made an error in making Q's account dormant, but Santander shouldn't have mislaid Ms T's identification and should have reactivated Q's account.

But, overall, the investigator thought the £250 Santander had offered, along with covering the cost for new identification, was fair.

Ms T felt this wasn't fair, as she was still waiting for the issues with the fraudulent account to be sorted. Ms T wanted to know who had access to her identification and felt Santander had covered up the loss, and fraudulent use, of her identification.

Ms T said she was now suspicious of everyone. Ms T said only she knew the details of Q and lost her identification two or three weeks before the fraudulent account was opened, so it must be Santander's fault.

Ms T also said she hadn't received the closing balance of Q's account.

The investigator thought it was unfair Q still didn't have its money, and it took some time for Santander to send the payment to Q. The investigator felt a further £200 to compensate for this delay was fair and both Ms T and Santander agreed.

But Ms T still felt her initial concerns weren't resolved and asked for an ombudsman to decide things.

### **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.

Ms T and Santander agreed on the outcome around the delayed payment to Q, so I won't be deciding anything relating to this.

I think Santander was reasonable in applying a block to Q's account. The account hadn't been used for some time, and I'm satisfied Santander wrote to Ms T, at the correct address, to notify her of the block.

Ms T has said not having access to the account affected Q's ability to trade. But Q's account hadn't been used for a year, and it was almost another year before Ms T tried to access Q's account.

Since Q's account hadn't been used for almost two years, I think it was unlikely Q was trading during this period. There was also a relatively small balance on Q's account, so I don't agree the block caused a loss to Q.

But there's no dispute Santander mislaid Ms T's identification when she tried to reactivate Q's account. Santander's said the identification was locked away securely in branch, rather than being sent to the relevant department to reactivate Q's account.

Ms T says she thinks someone in Santander stole her details to open an account in Q's name. I haven't seen anything to show this happened, although I realise it would be difficult for Ms T to prove this.

Where information or evidence is incomplete, or contradictory, I can decide things on the balance of probabilities – what's more likely to have happened.

In the circumstances, I don't think on balance someone in Santander stole, or used Ms T's identification fraudulently. Santander found the identification and form after Ms T's second complaint. I think it's unlikely someone would take the identification copies then return them.

I think it's more likely someone would simply steal the copies, meaning Santander would never have found them again. Santander's sent in copies of the identification it found, I'm

satisfied it found the documents.

Ms T has said no one else knew about Q as it wasn't trading. But Ms T also mentioned other people helping her set the business up. I think more people know about Q.

Whilst I'm not saying any of these people could have taken Ms T's details, this does mean it wasn't just Santander with knowledge of Q.

So I don't think I can fairly hold Santander liable for the fraudulent opening of another account in Q's name. I can't see there's any evidence to suggest the leak of details could only have come from Santander.

Ms T's said she'd like details of where the identification was held and who had access. In the circumstances, I don't think Santander needs to do this. Santander's explained the identification copies were kept secure in branch, and I think this is very likely to be true.

And I don't think it would be possible to say who had access. And since I don't think there's any evidence to suggest a Santander employee took the identification, I don't think it would be fair for Santander to tell Ms T the names of any its employees.

The mislaying of the identification caused Ms T some considerable distress and extra costs. I think Ms T acted quite reasonably in cancelling her passport and driving licence, and Santander has offered to compensate for the cost of this, and that seems fair.

Santander also paid Ms T £30 to pay for a fraud prevention marker to be added, and again this seems fair.

And Santander's offered a further £250 to compensate for the distress and inconvenience the mislaying of the identification caused. Ms T made a wasted journey to branch, and paid for recorded delivery later on.

And Ms T had some understandable worry about what might happen to her identification.

If I thought I could fairly hold Santander responsible for the fraudulent opening of another account, I would likely increase the compensation. So, I understand why Ms T feels the £250 isn't enough.

But since I can't find any evidence, on balance, to hold Santander responsible for the fraudulent opening of another account, I think the £250 offer Santander's made is fair.

### **My final decision**

My final decision is I uphold this complaint and Santander should:

- pay Ms T £85 to compensate for the cost of a replacement passport
- pay Ms T £20 to compensate for the cost of a replacement driving licence
- pay Ms T £250 to compensate her for the distress and inconvenience she experienced

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T, on behalf of Q, to accept or reject my decision before 18 August 2023.

Chris Russ  
**Ombudsman**