

## **The complaint**

Mrs M complains that Santander UK Plc (“Santander”) flagged and reviewed a payment she was trying to make and is unhappy at the questions Santander asked her regarding the payment. She wants Santander to justify its decision to block and delay this payment both ethically and legally. Mrs M is also unhappy at the service she received from Santander regarding this.

## **What happened**

Mrs M attempted to make a payment of £10 on 26 July from her account with Santander to an account in foreign country. The transaction was flagged up by Santander’s internal systems as being suspicious activity and reviewed on the basis of its sanction policy regarding the country the payment was being sent to.

Mrs M’s transaction history shows that the payment was processed on 27 July but it was not released due to the further checks required.

Santander’s internal records show that it left a voicemail for Mrs M on 29 July regarding further checks needed for the payment and made a note on its systems about this. Santander’s notes record that it needed Mrs M to answer what the purpose of the payment was for and did the payment involve any third parties.

Mrs M says she complained to Santander on 9 August that her payment shouldn’t have been delayed by the review process. Mrs M says despite chasing Santander up about this she did not receive a response. Mrs M says she was phoned on two occasions where she was asked invasive questions such as how she knew the organisation and what her involvement was with them.

Santander’s records show that its internal checks were completed on 12 September, and this is when the payment was cleared. Santander says that any further delays were likely due to the intermediary or receiving bank.

Mrs M called Santander on 3 November chasing a response to her complaint and again complained that the payment is still going through additional checks after eight weeks as the transaction was so small.

Santander internal notes record that on 11 November it confirmed to Mrs M that the payment was cleared by it on 12 September but that it may be held up by the middle or receiving bank. Santander provided Mrs M with a payment reference that she could use to chase this up with the receiving bank but said no errors had been identified on its behalf.

Mrs M was dis-satisfied with this and brought her complaint to this service.

One of our adjudicators looked into Mrs M's concerns and reached the conclusion that Santander had followed the correct steps when trying to obtain answers from Mrs M about the payment and that although there were some initial delays in the checks and payment being made this was due to the time it took to get the answers Santander needed from Mrs M.

Furthermore, they didn't think there was anything inappropriate about the questions Santander asked about the payment. Our adjudicator agreed that the complaints process should've been a lot smoother for Mrs M but didn't think she has been significantly impacted by what had happened.

Mrs M disagreed and has asked for an ombudsman's decision. I issued my provisional decision on 12 June 2023. In my provisional decision, I explained why I was proposing to uphold Mrs M's complaint. I invited both parties to let me have any further submissions before I reached a final decision and neither Santander or Mrs M have added any new information.

### **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.

In my provisional decision I said that:

*"Having considered everything provided, I'm currently minded to uphold Mrs M's complaint regarding the service element she received when trying to find out what was happening with her payment. However, I don't agree that Santander did anything wrong in flagging the transaction for review and putting a hold on it until it was satisfied it was legitimate.*

*It might be worth setting out here that we are not the regulator, we provide an informal dispute resolution service looking at what's fair and reasonable in each individual complaint. We don't have any regulatory or disciplinary powers and therefore I cannot change the banks systems or processes – such as when payment requests require checks and the process involved in that.*

*All I can do is decide whether Santander has done anything wrong and if it has, I would seek – if possible - to put Mrs M back in the position she would've been in if the mistakes hadn't happened. And I may award modest compensation that I think is fair and reasonable.*

*Santander flagged a payment which it deemed was at risk and followed its processes to determine the legitimacy of the payment. In order to establish this it needed Mrs M to answer some questions and left a voicemail with Mrs M within three working days – which given the relatively low value of the payment of £10 - I think is a reasonable time scale and I don't think Santander did anything wrong here.*

*What is not clear from the evidence provided is when Mrs M got in touch with Santander about this and answered the questions it had about the transaction. But as the payment cleared on 12 September, I think it is likely Mrs M provided the information before this point. So I can't say the delay in making the payment between 26 July and 12 September was due to the time Mrs M took to provide the information or on Santander's part alone.*

*But what is clear is that after listening to a call recording between Mrs M and Santander on 3 October is that Mrs M still wasn't sure whether her payment had been cleared and was concerned about making another payment to the same recipient because of this. And by 3 November when she chased Santander again, she still didn't know what was happening.*

*So I think this is a failing on Santander's part and think Mrs M should be compensated for that. So although the transaction Mrs M wished to make has been made, I currently think Santander should compensate Mrs M £30 for the distress and inconvenience caused by Santander's inadequate communication surrounding this."*

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint and direct Santander to pay Mrs M £30.

### **My final decision**

For the reasons I've explained I uphold Mrs M's complaint and direct Santander UK Plc to pay the fair compensation outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 29 August 2023.

Caroline Davies  
**Ombudsman**