

## **The complaint**

Mr L complains that Santander UK Plc has placed restrictions on his account and will not agree to remove them.

## **What happened**

On 1 December 2021 Mr L arranged for a payment from his Santander account of £5,000. The payment was to an individual and matched a payment into the account from Mr L's credit union the previous day.

On 7 December 2021 Mr L went to his branch to pay £6,200 to his credit union account. He explained that the payment he had made on 1 December was a loan to a friend, and that he wanted to return the funds to the credit union.

While he was at the branch, Santander contacted the police, who asked Mr L about the payment to his friend. Mr L says he told the police the same thing he had told the bank – that he was providing a short-term loan.

Santander then placed restrictions on the account. This meant that Mr L can receive payments into the account from the Department for Work and Pensions and that direct debit payments are made from it. He cannot however use the account to make transfers or card payments. He can only withdraw funds by going to his branch (where he is known to staff) and making cash withdrawals.

The restrictions on the account remain in place. Mr L says he finds them very inconvenient, although he does have another account he can use.

When Mr L referred the matter to this service, our investigator recommended that the account restrictions be lifted. Mr L agreed with that recommendation. Santander did not expressly challenge it, but it did not lift the restrictions either – or indicate that it would do so.

The case was therefore passed to me for further consideration. I considered what had happened and, because I did not agree with the investigator's recommendations, issued a provisional decision.

I noted in my provisional decision that Mr L's account had not, as Mr L had suggested, been blocked or closed. Restrictions had been placed on it, but I noted that Mr L continued to use it, making cash withdrawals, and that payments were credited to it.

I noted too that the account terms allowed Santander to refuse to make payments from the account in certain circumstances. It did not seem unreasonable to me that Santander should set out in advance the circumstances in which it was prepared to allow payments – namely, when he attends the branch in person.

I did not believe the restrictions on the account were unreasonable and did not recommend that the complaint be upheld.

## **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.

Mr L is unhappy that his account has been restricted, and I can understand why that is. It is no doubt inconvenient for him to have to attend the branch to make withdrawals. I stress however that my understanding is that Mr L's use of the account has been restricted. The account has not been blocked or closed. But Mr L cannot make transfers or payments unless there is face to face contact with a member of bank staff. That is, the bank has a more direct involvement in some transactions than would usually be the case.

I noted as well in my provisional decision that Mr L has another bank account. I am not aware of any reason why he should not move all his banking arrangements, if he wishes to do so.

Finally, Mr L says that he has not broken any law. I do not understand Santander to suggest he has, and the measures it has taken are consistent with that view.

## **My final decision**

For these reasons, my final decision is that I do not uphold Mr L's complaint and I do not require Santander UK Plc to take any further steps to resolve it.

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

Mike Ingram

**Ombudsman**