

The complaint

Mrs A complains Santander UK Plc (“Santander”) blocked her payments despite informing it she was travelling abroad. Mrs A adds this has caused her financial loss, distress, and inconvenience.

What happened

In April 2023, Mrs A travelled abroad due to a family emergency. Mrs A informed Santander about this to avoid any issues with making payments whilst overseas. Mrs A attempted several payments in Dubai over a four-to-five-hour period using her Santander debit and credit cards. Mrs A also attempted an online transfer to her husband’s account.

Some of Mrs A’s payments were blocked and she had to complete further security steps to authorise the transactions. Mrs A says this caused her substantive distress and she was forced to use her credit cards and exchange money at a significant financial loss to herself.

Unhappy Mrs A complained. Santander upheld part of Mrs A’s complaint. In short, some of the key points it made in its responses were:

- Santander didn’t make any mistake in blocking payments before carrying out further security checks, though it accepts this put Mrs A in a difficult situation. Santander has automated systems in place to protect it and its customers from fraud
- One of these systems checks transactions on accounts and if it suspects any suspicious activity, it will contact a customer to confirm if its genuine. This is routine procedure to protect Santander and its customers. Santander doesn’t let its customers opt-out of this service as doing so would expose the accounts to significant risk of fraud
- Santander acknowledged Mrs A had informed it that she was travelling abroad, but its fraud monitoring systems would still highlight certain payments when required. Santander sent automated texts which Mrs A was able to respond to and payments were thereby approved, but the merchant didn’t continue with some of the payments
- Mrs A was told that one of her payments had gone through by one of Santander’s call handlers. But this was a mistake as that payment had been flagged for extra checks. Mrs A later verified this payment by SMS text, and the payment was duly processed. But because this misinformation was given, and as an apology for any distress and inconvenience caused, Santander offered Mrs A £40

Mrs A referred her complaint to this service. One of our Investigator’s looked into her complaint, and they recommended it not be upheld. Some of their key findings were:

- Informing a bank of future payments both in the UK or abroad doesn’t stop them being blocked
- Financial businesses have an obligation to protect customers funds and in doing so

are entitled to apply blocks. Banks will often call or send text messages to confirm transactions are genuine. Santander did so here, and Mrs A responded to text messages on multiple occasions

- In reviewing the technical evidence provided by Santander, it shows four transactions were authorised in the morning Mrs A was making the payments. But these transactions didn't all complete. Santander has explained this often happens when there is an issue on completing the payment on the merchant's end
- Santander's offer of £40 for incorrect information being provided to her by one of its agents is fair. This payment later went through successfully after Mrs A responded to a SMS message

Mrs A didn't agree with what our Investigator said. She says Santander can't treat its customers in this way. As there is no agreement, this complaint has been passed 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.

Having done so, I've decided not to uphold this complaint. I'll explain why:

Banks in the UK, like Santander, have a duty to protect its customers from financial harm. Because of this they have monitoring systems in place to flag any potential fraudulent payments. The payments Mrs A was making abroad triggered these systems and blocked the payments until further security checks were carried out to confirm they were genuine.

Having carefully weighed up what Santander did, despite being told by Mrs A she was going abroad, I'm satisfied it acted fairly and reasonably here. The payments Mrs A was making were across different cards and they were most likely out of character with her normal spend. I accept that this caused Mrs A to use her credit card when she wouldn't have preferred to and exchange funds at a financial loss, but that was her choice given she needed to make expedient payments.

In saying this, I do appreciate that the critical family situation Mrs A has told us she was in would have contributed to, and exacerbated, any distress she was suffering. But I won't be making any award of compensation given I don't think Santander did anything wrong in blocking these payments in lieu of further security checks being conducted with her by phone or SMS.

It also appears some payments didn't complete despite Mrs A following Santander's protocols. Santander says this is because the merchant didn't follow through and complete the payment. I'm satisfied that was most likely the case, especially as Mrs A appears to jump to her other payment instruments to make payments.

I must note that had Santander not carried out such checks, and the payments were fraudulent, the loss to Mrs A would have been much more substantive.

Santander offered Mrs A £40 as its agent had given her incorrect information about a payment going through successfully when it hadn't. This payment was later approved when Mrs A responded to a SMS message. So Mrs A hasn't lost out in terms of being able to make this payment albeit a bit later than she expected. Santander offered Mrs A £40 compensation for this - I don't think it needs to do anymore.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 7 May 2024.

Ketan Nagla
Ombudsman