

The complaint

Dr B complains Santander UK Plc ("Santander") prevented her having access to her account due to continual fraud blocks when trying to move money.

What happened

Dr B told us over a three week period in December 2022 Santander repeatedly blocked access to her life savings due to fraud checks which she thought were overzealous and AI driven. She said her legitimate payments were highlighted repeatedly for further review. She was rapidly dispersing a long-held savings balance across several accounts for interest purposes, using her current account with Santander as an intermediary to make the payments. And in doing this was constantly coming up against both fraud monitoring and daily limits on faster payments.

Dr B's unhappy as she had to spend significant amount of time calling and visiting the branch to repeatedly unblock the same transactions going to the same account. She thought Santander's explanation that each transaction had to be looked at under FCA guidance was inaccurate since no other bank did the same. She thought she lost out on a number of basis - financial, temporal and emotional - through no fault of her own. And she thought the way Santander looked into the matter once she'd complained didn't address or admit all its mistakes.

Santander appreciated the difficulties the fraud checks had caused but didn't think that was due to any mistakes it had made. In its final response letter to Dr B Santander said it had handled the payments she'd made in line with its policy. So, it didn't uphold the complaint. It told her automated systems were in place to prevent fraud and if those suspected any suspicious activity it will contact the customer to confirm if its genuine or not. Santander said it couldn't offer a customer the ability to opt out of such checks as to do so would leave accounts at significant risk of fraud. And, as part of the steps it took, it may place restrictions on the account. However, as a gesture of goodwill Santander offered her a payment of £384.83 to represent the interest she would have expected to receive during the period of her investments, at the rate agreed with Dr B of 4.13%. The amount had been adjusted for the interest she'd actually earned in her savings account with Santander. In addition, they offered a further £55 compensation part of which was to include the £25 CHAPS fee she'd paid.

Our investigator issued two views in this matter. In the first, taking all things into account, including that some of the time Santander took to process the transactions was justified due to the checks it rightly conducted our investigator thought, on balance, the total compensation of £439.83, was a fair and reasonable solution to the complaint.

In the second he reiterated he thought it was fair of Santander to conduct the checks it did. And, due to the nature of the payments, running checks on payments to the same account payments had already been made to wasn't unreasonable. Nor did he think it unusual or unreasonable of Santander to place a hold on the entire account as opposed to the transactions only as it would've been irresponsible to allow usage of the account whilst the checks were undertaken. He also maintained the view that Santander could've acted more

promptly but that the goodwill compensation offered fairly and reasonably addressed the distress and inconvenience caused and that it encompassed the concerns Dr B had expressed about the service during her calls. And he didn't think the delay in the CHAPs payment from 20 December 2021 in getting to the beneficiary bank was something Santander could be held responsible for. So, he remained of the view Santander's response to the complaint was fair and reasonable and he wouldn't be asking them to do anything further.

Dr B asked for an ombudsman's decision. She made a number of points which I've summarised.

- She thought our investigator was biased and had misunderstood Santander's business process as its fraud team was a centralized operation and there was no way of bypassing that by turning up at the branch. She thought he'd also misunderstood why it had taken a further 17 days after the CHAPs transfer for this money to reach her final destination account.
- She completely disagreed with the investigators reasoning for repeated fraud checks on the same amount going to the same account and thought the argument that Santander were doing nothing wrong suggested other banks who didn't check every transaction were at fault.
- She disagreed Santander's actions were in line with FCA requirements and thought that suggesting so meant that other banks who didn't check as Santander did were at fault and in breach of such regulations.
- She thought the refund of partial interest and £30 compensation for her time wasn't reasonable as she'd spent 15 hours of her time calling Santander after each block. Instead she thought she should receive compensation for the 15 hours she's spend resolving the matter at an hourly rate of £70 per hour. And the interest due to the delays in transfer (15 days @ 4.13%) should be £984.41.

The matter has come to me for a 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.

As much as I understand Dr B's frustrations with what's happened, I've got to look at whether Santander did anything wrong. And, having reviewed all the evidence here I don't think they did. So, I'm not going to uphold this complaint and I'll explain my reasons.

Firstly, I'm aware that I've only summarised Dr B's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what, I think, is a fair outcome.

I appreciate the central issue for Dr B isn't the principle of fraud checks or holds on the account. It's rather that, despite her requests and repeated contact with Santander, it repeatedly blocked transactions of the same amount to the same beneficiary account despite her explaining what she was attempting to do here. For the avoidance of doubt, I ought to say I'm satisfied Santander followed it's fraud prevention procedures here. The

terms and conditions provide there *may* be delay in processing a faster payment - outside of timescales set out in the conditions - while fraud prevention take place.

It is not within this service's remit to tell a business how to run their security procedures in order for the business to be satisfied they are meeting their regulatory requirements, such as blocking transactions or how they remove blocks. It is also not within this service's remit to tell a business what systems they should use, even if their competitors have different systems to them, as it is a commercial decision for the bank as to which systems they choose to use in order for them to fulfil their regulatory requirements. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Santander to make changes to their policies and procedures, if necessary.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. Sometimes they identify and block legitimate payments due to security concerns. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly.

Although Dr B has said Santander from the outset blocked even small payments representing a very small percentage of her overall holding with them, I would expect Santander to have controls in place which would check every single payment, and not just large payments – otherwise people would just try and send smaller payments to circumvent the security controls.

I've considered what Dr B has said about payments that she attempted to make were to the same beneficiary account or existing payees, and that these have still been blocked. But I'm not persuaded that this should mean that security checks shouldn't take place in these instances. I say this because Santander need to satisfy themselves that Dr B is the person who is genuinely making the payments. I would still expect Santander to protect Dr B's account, even if there was a history of payments being made to such payees.

So, I don't find it unreasonable for Santander to have security controls in place to manage their obligations and to fulfil their duties to their customers to ensure each payment made is genuinely made by their customers themselves and they are not being coerced or scammed into making payments. And I'm satisfied they have acted in line with their terms and conditions here in trying to protect Dr B's account, even though she has been inconvenienced by having to confirm to Santander that it was genuinely her making successive transactions.

Whilst it's entirely a matter for Dr B where she transfers her money, I don't think I can hold Santander responsible for the time it took Dr B to subsequently transfer money to her chosen destination account. I don't know why the CHAPs in late December 2022 wasn't made directly to that final destination account. Dr B elected to make the CHAPs to what was effectively an intermediate account with another bank from where she then paid the daily maximum amount to her final chosen destination account. But, whatever the reason for that, it was her choice and I don't think it's fair or reasonable for me to hold Santander responsible for the delays caused by that choice and any limitations it placed on Dr B.

Dr B is working on the assumption I've obtained and listened to the call recordings. But I don't think it's necessary for me to do so that either come to my substantive decision here or for compensation purposes. That's as there's no dispute that the bank placed these blocks or that Dr B made the calls and spent the time on them. And, for the reasons I've explained, I don't think Santander did anything substantively wrong here. So, it follows that I can't go on to consider an award of compensation here. But - even if I were to do so - we don't calculate any compensate for loss based on an individual's hourly rate.

In respect of the goodwill offer Santander made it's a matter for Dr B as to whether or not she accepts this. Santander told us the offer isn't based on any financial loss. Rather, Santander make it as a goodwill gesture to empathise with Dr B's frustrations around the fact the payments weren't made with maximum efficiency. Santander say the goodwill offer is calculated from 10 December 2022 - when the account activity started - up to the 19 December 2022, when Dr B was given the option to choose to make a CHAPs payment, at an average rate of interest on the accounts Dr B opened less the interest she earned. Santander say this was with an eye to try to be an accurate reflection of what Dr B may have received, it is not in response to any financial loss. That's seems to me to be a reasonable approach here, along with the refund of the £25 CHAPs fee and a further £30 goodwill payment.

Overall, the checks and the suspension of the account were a part of the process provided for in the terms and conditions and a temporary step for a customer's protection. This seems fair and reasonable to me. So, I don't think Santander have done anything wrong in terms of handling the payments. And where they've been unable to expedite matters or provide clear customer information, I think the compensation they've offered is a reasonable response. So, I'm not going to ask Santander to do anything further.

Given how strongly Dr B feels she may wish to take the matter further. I can see she's already indicated she intends to take legal action. But, for the reasons I've explained, I'm not going to ask Santander to take any further action here and leave it with Dr B as to whether she accepts the goodwill offer.

My final decision

My final decision is that I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Dr B to accept or reject my decision before 18 April 2024.

Annabel O'Sullivan
Ombudsman