

The complaint

Mr V complains that Santander UK Plc rejected and returned a transfer he made to source. He'd like compensation for the impact.

What happened

On 19 August 2022 Mr V transferred £151,300 from one of his accounts with a Russian Bank, I'll call B, to his account with Santander. On 21 August 2022 Santander tried to contact Bank B to ask questions about the transfer, but they didn't get a response. They followed this up on 23 August 2022 and 26 August 2022 with SWIFT messages but Bank B didn't reply.

On 2 September 2022 Santander tried to contact Mr V via phone, after a lack of reply they followed up with further messages on 5 and 6 September 2022. On 6 September 2022 Mr V contacted Santander and supplied answers to their questions but Santander weren't satisfied the responses were sufficient. As they couldn't be sure the payment adhered to legal and regulatory requirements they started returning the payment back to Bank B. The payment was received by Bank B on 20 September 2022. And Mr V was notified via a phone call with Santander on 23 September 2022.

Mr V complained to Santander about the return of the payment and their failure to keep him updated on the status of his payment.

Santander partially upheld Mr V's complaint. They explained that due to Russian Sanctions they weren't able to process the transfer, but as a gesture of good will offered him £75 for fees and calls he's incurred.

Mr V wasn't satisfied with their response so complained to our service. He explained he'd experienced significant losses including loss of interest, a £25 fee on the funds returned and not being able to complete on a Mortgage as a result of the funds not arriving.

One of our Investigators looked into Mr V's complaint. Although they appreciated the inconvenience caused to him in the payment being returned, they thought Santander had acted fairly and followed their legal and regulatory obligations in returning the payments to source. From the evidence they'd seen they advised Mr V the £25 fee hadn't been charged by Santander.

Mr V didn't agree – in summary he said:

- It was unreasonable that Santander didn't inform him Bank B hadn't responded. And Santander provided him with incorrect reasoning which caused him stress and anxiety.
- If Santander had informed him of why the payment didn't go through he'd have attempted to complete the payment through a different bank.

- As Santander didn't advise him he took the risk of trying the transfer for a second time.

On further review Santander decided that in fact the £25 charge was taken by them on returning the payment to source. And they decided to refund this payment to Mr V's account.

As Mr V didn't agree it's 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.

Santander are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations.

Santander explained that due to Mr V's funds, of £151,300, on 19 August 2022 arriving from Russia – a sanctioned country – they needed to carry out additional checks. Santander tried to reach out to Bank B, the sending bank, on 21 August 2022 and followed this up with further SWIFT messages on 23 August 2022 and 26 August 2022. Which they didn't receive a response.

Santander then reached out to Mr V on 2, 5 and 6 September 2022 but didn't receive sufficient information. I've reviewed the responses provided by Mr V, but having done so I can't say that Santander acted unfairly in deciding not to release the funds. And then returning them to source on 20 September 2022. I'm satisfied that due to the payment coming from a Russian account Santander had additional responsibilities, including the need to comply with relevant sanctions laws. And without information from Bank B they couldn't be certain the payment did comply. I therefore think they acted fairly in returning the funds to source.

It follows that I can't hold Santander responsible for Mr V's inability to obtain his mortgage, due to him not receiving the funds.

Mr V's unhappy that Santander supplied him incorrect information on why the payment was returned. Until our service was involved Mr V wasn't aware that Santander had reached out to Bank B on three occasions and didn't receive a response. I agree that Mr V was misinformed by Santander – and I accept this may have caused him additional distress. However, I think the negative impact on Mr V's mental health was mainly caused by the failure of the transfer to go through successfully rather than Santander incorrectly advising him of why. It follows I don't think additional compensation is fair here.

Mr V's also argued if he'd been advised of this information at the time he'd have attempted the second transfer through a different route.

I can see that Mr V made a second transfer attempt on 3 October 2022. After further checks, and correspondence between Mr V and Bank B the funds arrived on 28 October 2022. I've considered Mr V's argument, but I'm afraid I can't see how Santander failing to advise him meant he was placed at additional risk by using Bank B – and if he'd known he'd have sent it via a different bank. I do appreciate what Mr V's trying to say here, but as I've already advised Mr V's second attempt at the transfer *was* successful. So whether he feels he was placed at added risk, or not, this didn't prevent his payment successfully arriving with Santander. And, I can't make awards for *potential risk*.

I understand Mr V will be disappointed but for the reasons I've outlined above I won't be

asking Santander to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 15 March 2024.

Jeff Burch
Ombudsman