

The complaint

Mr H complains that Santander UK Plc ("Santander") blocked his account for ten weeks, causing him considerable distress and inconvenience.

What happened

Mr H is represented by a relative in bringing this complaint but, for ease of reading, I'll refer to all submissions as having been made by him directly.

Mr H holds an account with Santander. At the end of April, he attempted to set up a new standing order on the account. Santander wanted to make some security checks before setting it up and placed a block on the account at the beginning of May.

Mr H spoke to Santander on the telephone and asked it to remove the block. But Santander asked him some questions and he couldn't hear well enough to be able to answer them. So, the call wasn't successful and the block remained in place. Santander asked Mr H to visit his local branch, but he couldn't do that due to his age and poor health.

Mr H wrote to Santander and asked it to lift the block. But Santander said the block was in place due to concerns over attempted payments from the account. It again asked Mr H to visit his local branch for assistance.

Mr H came to this service and asked us to look at the issue. He said that all his standing orders had been blocked so he couldn't pay any of his bills and had no access to his money. While our Investigator was reviewing the complaint, Santander unblocked the account. It said this was because its Fraud Team had carried out an in-depth review and agreed to remove the block.

But Mr H wasn't happy that it had taken so long for this to happen. He said that the account had been blocked for ten weeks, causing him a great deal of anxiety and inconvenience. He said he was entirely dependent on family members to pay for his essential needs and keep up regular payments on his behalf so that important services could remain in place.

Our Investigator upheld the complaint because he thought Santander could have acted more quickly to help Mr H. He recommended that it pay compensation of £250 to Mr H. Santander agreed to this. But Mr H didn't think it was enough to reflect how long the account was blocked for or the great anxiety and inconvenience caused to him and his family. He said that ten weeks was an unreasonable length of time for him to be without access to his money. And that Santander hadn't been helpful or taken his needs into account. He asked for the complaint to be reviewed by an Ombudsman.

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'm going to uphold the complaint and award Mr H compensation of £250. I realise this will be disappointing for Mr H and I'm sorry for that. But I'm afraid I don't think Santander needs to do more than that to put things right here. I'll explain why.

Mr H's account was blocked in early May. Santander says it did this to protect Mr H and his funds because it wanted to be sure that he was aware of the attempted transaction and had authorised it. I'd expect Santander to have security measures and procedures in place to stop transactions which it thinks may be suspicious. Here, I think it was reasonable for Santander to ask questions about the standing order and to place a block on the account until it was satisfied that Mr H had authorised it.

Santander tried to discuss the situation with Mr H over the phone, which I think was reasonable. Unfortunately, that wasn't successful because it was difficult for Mr H to hear. So, Santander asked him to come into a branch. Santander says that's its process in a situation like this. I think that's a reasonable approach, generally. But, here, Mr H told Santander that he couldn't attend the branch due to his age and health. So, I think Santander should have looked at an alternative approach.

After this service had been asked to look at the issue, Santander carried out an in-depth review of the situation. Its complaint handler asked the Fraud Team to review the account again in light of the phone calls with Mr H and his circumstances. Santander says it removed the block at that point, having made a risk-based decision that Mr H wasn't being taken advantage of. It also noted Mr H's comment that he was looking to appoint his relatives as attorneys, but this was taking a very long time. I think it was reasonable for Santander to carry out this review and its decision to lift the block was fair.

But I think Santander could have carried out the review and made this decision much sooner. It's reasonable that Santander wanted to protect Mr H's account until it was satisfied that he was authorising the transactions. This was difficult to determine on phone calls and Mr H couldn't visit the branch. But, from the information available to me, I think the information Santander used to make its decision to lift the block was available in May. And Mr H had made it clear then that it was very important for him to be able to continue using the account as usual. So, I think the review could have taken place earlier and it shouldn't have been necessary for Mr H to bring the complaint to this service to bring this about.

Mr H has explained how he and his family were affected by the situation. I don't doubt that it was very distressing and caused a great deal of inconvenience. But I think that part of the issue here was that Mr H was relying on help from relatives but doesn't yet have a Power of Attorney in place. This made things difficult but wasn't Santander's fault. Santander has said that it's very important for Mr H to have the correct authority in place if third parties are going to be using his account. I think that's reasonable.

The block which Santander applied related mainly to online banking activity and standing orders. It didn't stop Direct Debits, card payments or cash withdrawals from Mr H's account. So he did have access to his funds while the block was in place, although I realise it was the standing orders which he was most concerned about.

I think there was a balance to be struck here between protecting Mr H's account and recognising his needs. I think it was reasonable for Santander to put the block in place. That would always have caused some inconvenience, but it's reasonable that Santander has checks in place to protect Mr H's account. I think Santander then acted fairly by reviewing the account on a risk-basis and making the decision to lift the block. But, in the circumstances, I think it could have done this earlier which would have had a less negative impact on Mr H. For this reason, I think Santander should pay some compensation to Mr H.

Taking everything into account and looking at the situation impartially, I think £250 is a fair amount to reflect the impact of Santander's mistakes. Santander has recommended that Mr H sets up a Power of Attorney, which would avoid this issue happening again. If he hasn't already set this in motion, I would urge Mr H to do so.

My final decision

For the reasons above, I uphold this complaint. Santander UK Plc should pay compensation of £250 to Mr H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 November 2023.

Katy Kidd
Ombudsman