

## The complaint

A limited company, that I will refer to as S, complains about the inability to make certain payments from its business bank account using its Santander UK Plc debit card.

## What happened

The following is intended only as a brief summary of events. S operates within the gambling industry, and holds a Santander business banking account. S was making payments to another gambling company that I will refer to as "B". In 2021, B changed its processes meaning S needed to make these payments using its debit card. Santander did not allow these payments and S had to try and use its director's personal account to facilitate these transactions. S has said this caused significant inconvenience and consequential loss.

S complained about this situation. S says this complaint was first made in October 2021. However, Santander say the complaint was made in October 2022. Santander has provided a number of reasons for why S was unable to make the transactions it wanted to. Santander said that this was because it had made a commercial decision not to allow payments from business accounts to gambling companies and so the account was not appropriate for S. Santander offered S £200 compensation for the inconvenience caused. S did not accept this and brought its complaint to the Financial Ombudsman Service.

Santander then said that the reason S was unable to make the transactions in late 2021 and early 2022 was because the card that S held at this point did not allow these transactions. And that a new card that had been issued in May 2022 would allow them. Santander said it would honour the £200 initially offered to S for not communicating this and the trouble and upset this caused.

Our Investigator felt this was a fair and reasonable outcome to the complaint. S however said that it was still unable to make the required transactions. And that alternatives that it might use were more inconvenient and/or would lead to additional charges.

As our Investigator was unable to resolve the complaint it was passed to me for decision. I issued a provisional decision on 8 December 2023. The following is an extract from that decision:

"I do not think the £200 offered is sufficient to compensate S for the issues it has experienced. However, I am also not persuaded that the consequential losses S has referred to need to be covered by Santander.

There are a number of points that are disputed. The first is the reason S was not able to make the required payments and whether this was fair and reasonable.

Santander has not provided a good customer journey here in terms of S's understanding. It provided initially incorrect reasons for the payments being declined. However, it has reassured me that the issue was with the card S had until May 2022. And I think this is more likely than not to be the case. So, I will consider the pre-May 2022 issues and then the post-May 2022 issues.

However, Santander has not been able to provide a copy of the relevant terms and

conditions relevant to this pre-May 2022 card, or to otherwise justify why payments to gambling businesses were prevented. As the parties are aware, there are good and justifiable reasons why certain transactions to gambling companies are prevented – for example those involving credit card payments or where there are concerns relating to specific account holders. But these do not appear to apply to the situation here. And this is also not a case where Santander has made a commercial decision to prevent such payments from all debit cards provided on its business banking accounts. The issue appears to be specific to the type of card S had prior to May 2022. But no reason for this has been given.

Without being able to provide any clear justification for why these transactions were prevented, I am unable to conclude that Santander acted fairly and reasonably by doing so. And this clearly caused S some issues.

I then need to think about whether Santander should be [responsible] for the issues experienced. S has said that its staff needed to take time out to call and visit the bank on numerous occasions. And that one of its directors had to use his personal account to facilitate these. S has said that the time taken for this caused it to lose a significant amount of income.

S has said that it raised a complaint about the issues with making payments in October 2021. Santander has provided the contact notes relating to S's account for this period. And whilst I note that a number of unrelated issues have been raised over the year, the first time this issue appears in Santander's notes was late 2022.

However, S has also provided copies of emails sent to B on 17 January 2022 which say that S had been on the phone to Santander for an hour that day. This email is not proof that this call was made, nor does it detail the content of that call. But I am persuaded by this and the testimony of S's director that it is more likely than not that S did raise this issue with Santander at an early stage. And at that point, Santander ought reasonably to have provided an accurate explanation and also a potential solution – for example moving the account onto a card that did not block the required transactions.

That Santander failed to do this does not mean it should cover S's losses though. There is also a reasonable expectation that S mitigate its own losses. And it could have done this by opening an account with a different bank. It seems that S did explore this option with one alternative bank, but even if this particular alternative was not appropriate, I am not persuaded that S would not have been able to find and open a different account that would have allowed the required transactions. Had this happened, much of the loss S has referred to would not have been incurred. So, I am unable to hold Santander responsible for these losses. That said, even if S had mitigated its losses as much as possible, it would still have incurred a great deal of inconvenience.

S has said that it is still unable to use its post-May 2022 debit card to make the required transactions. However, the evidence provided indicates that B's website won't allow the card to be registered for the payment rather than any issue with Santander blocking transactions. This may be because B is recognising the card as a credit card for some reason, or that the incorrect expiry date has been used. Regardless, I am not persuaded that the problem is currently caused by Santander. So, I am unable to hold the bank responsible for the ongoing problem.

As Santander has said though, it should have made S aware that the change of card ought to resolve the problem. And it did not do this."

Based on this, I thought Santander should pay S £500 in compensation (the £200 offered, plus an additional £300). And I invited both parties to provide any additional comments or

evidence.

Santander responded, saying that when the account had been opened S had described the nature of its business to be consultancy and not gambling. Santander said that as it was not aware, when the account was opened, that it would be used for gambling it did not consider the additional £300 to be appropriate compensation. Santander provided some of the documents completed at the time the account was opened in support of this.

S responded to my provisional decision, referring to some of the earlier reasons Santander had given for the transactions not being completed. It also said opening accounts with other banks was impossible and Santander was its only option. S referred to one particular bank that had closed accounts of bookmakers several months ago, albeit long after May 2022. And S reiterated that it contacted Santander in October 2021 about this issue.

S also said that the current card is not working with B, and that B had confirmed the problem was not at their end. So, the problem must be with Santander.

### **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 have come to the same conclusions as set out in my provisional decision.

I note Santander's comments about the nature of S's account when originally opened. However, whilst this was described by S as, "a consultant in the bookmaking industry", rather than specifically as a company that handled betting itself, this does not provide any reason why the pre-May 2022 card prevented the required transactions.

Whilst one of Santander's early explanations to S was that all its cards declined transactions to betting companies when made via a business account, and so the account should not have been opened in the first place, this is not the later explanation Santander gave to the Financial Ombudsman Service. So, how the account was opened does not appear relevant to the issues at hand.

As I have said, the reasons Santander has given, for why the transactions have not been allowed, have changed over the course of time. This has not provided S with a good customer journey, as is demonstrated by S's recent reference to the above reason given by Santander. And this has also made it difficult to determine this complaint.

Santander does have a regulatory requirement to provide the Financial Ombudsman with correct information though. And Santander's position when the complaint has been brought to the Financial Ombudsman has been that the issue was solely with the pre-May 2022 card, and has maintained that there should be no issue with the post-May 2022 card.

S has maintained that the issue remains with Santander, rather than with B. But the issues he is apparently experiencing relate to registering the card on B's site, rather than specifically making payments. Whilst it is possible this issue is caused by Santander, I am not persuaded that this is more likely than not.

I do appreciate that some banks are choosing not to facilitate accounts with certain types of business. However, I am not persuaded that this applies to all banks. And so, I consider S could have moved its account to another bank to avoid the issues it experienced in late 2021 and early 2022.

But also I consider that S most likely raised the issues it was experiencing with Santander prior to the change of card in May 2022. And Santander has not provided any evidence that it assisted in resolving this situation or that it was justified in preventing the transactions prior to this date. So, I think Santander should compensate S for this, in addition to the compensation offered for not advising S that the new card ought to work.

### **Putting things right**

Santander UK Plc should pay S £500 in total in compensation for the inconvenience caused.

### **My final decision**

My final decision is that I uphold this complaint. Santander UK Plc should put things right as set out above.

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

Sam Thomas  
**Ombudsman**