

The complaint

Mr P complains that Santander UK Plc put a block on his bank account whilst he was abroad, which it wouldn't explain or say when the block would be removed.

What happened

Mr P was abroad for a week when he discovered his bank account was blocked for 'security reasons'. Mr P called Santander's fraud team who wouldn't provide any information or say when the account would be unblocked. But Santander allowed his request to transfer funds to a pre-paid travel card and explained Mr P's direct debits to help him anticipate costs.

Mr P said he called Santander a few days later to be told his account had been blocked in error but was now unblocked. Mr P complained about this and Santander's service when he first called. Santander apologised for its poor service and paid him £100 compensation.

Mr P didn't think this was enough and referred his complaint to our service. Santander increased its offer of compensation to £225, but Mr P said he wanted £1,000 for the distress and inconvenience he's been caused by being left without access to funds whilst abroad. Mr P didn't describe any financial loss but said he couldn't buy things for friends and family as intended and said his experience has worsened his anxiety.

Our investigator thought £225 fair compensation as the impact of the account block was very short lived and reduced when Mr P transferred funds to his travel card. She could see Mr P's concern about what might have happened but said we can't award compensation for this. She said that since he had access to funds on his travel card he could shop as intended. The investigator said £1,000 compensation is awarded for distress and inconvenience that lasts for several months and a bank's error has had a severe impact on someone's life.

Mr P disagreed as he believed £1,000 compensation is justified. He said he had to initiate contact with Santander rather than receiving a call. He set out his monthly outgoings and account balance and said the consequences could have been severe had he needed funds for essentials such as travel. He said he put much time and effort in the issue with an impact on his mental well-being, sleep deprivation and distress. Mr P said that substantial redress can compel banks to address these issues more effectively and prompt a positive change.

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.

Mr P said the service he received isn't up to standard, or what should be expected from Santander in his circumstances.

I can't see an obvious reason from Santander's records why it applied the block on Mr P's account. Santander should be aware of the significant adverse consequences to account holders that may occur when their accounts are blocked. This had the potential to be even more disadvantageous to Mr P as he was abroad at the time. I hope Santander reviews its account-blocking process to minimise the risk to customers like Mr P in future.

Mr P described how this affected him. Santander, our investigator and I all agree that this was an unfortunate error. I'm pleased to see that Santander apologised to Mr P and I have

considered whether the £225 compensation it has paid him is fair and reasonable in the circumstances. Mr P said substantial redress should be paid to compel banks to address these issues more effectively. He should note that our service does not award compensation as a means of making a point to businesses, and only a court can award damages. We look at the impact of the error on the consumer and try to reflect this in any award that we make.

I looked at Mr P's monthly outgoings and account balance at the time his account was blocked. He hasn't described any 'actual losses' only hypothetical detriments such as a restriction on his shopping or the worry had he needed to pay for a last-minute flight. Our investigator has explained that we don't award compensation for potential losses or detriments, but I have considered Mr P's distress in dealing with the potential impacts on him of this problem and the inconvenience he suffered.

I'm pleased that despite the account block, Santander allowed Mr P to transfer £1,800 from his current account to his travel card so he would have access to funds whilst abroad and to cover his monthly expenses if required. Fortunately, this does not appear to have been required as Mr P's salary was processed and the account unblocked after less than a week, and so Mr P had funds for shopping if required. As I have said, Mr P hasn't described any financial loss and from what I've seen I can't say that he was much disadvantaged.

I was sorry to learn about Mr P's anxiety and the adverse impact on this from his account difficulties, but I haven't seen that he made Santander aware that he suffered from anxiety beforehand. Santander only applied the block for a few days, but notwithstanding this, I sympathise with Mr P for the increased anxiety that he suffered as his circumstances at the time would have been very stressful.

Having considered all factors and the impact of the poor service on Mr P in order to decide if the compensation is fair and reasonable. I agree with the investigator that the compensation seems about right for what happened to him, particularly the inconvenience and worry he was put to. This award is in line with other complaints very similar to Mr P's that I have seen.

I realise Mr P will be disappointed by this decision. If he remains of the view that he should receive £1,000 compensation he can reject this decision and all options remain open to him including legal action.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. I require Santander UK Plc to pay Mr P £225 compensation (which I understand it has already paid) for the distress and inconvenience its poor service caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 April 2024.

Andrew Fraser

Ombudsman