

## **The complaint**

Mrs M and Mr M are unhappy that Santander UK Plc restricted their accounts and with the service they received surrounding this.

## **What happened**

On 8 September 2023, Mrs M and Mr M mistakenly opened several new savings accounts with Santander online. A few days later, on 12 September 2023, Mrs M and Mr M noticed that all their Santander accounts were blocked.

Mrs M and Mr M called Santander about this and were asked to visit a Santander branch to resolve the issue. However, when Mrs M and Mr M went into branch as requested, Santander's branch staff were unable to help them, and Mrs M and Mr M were told to wait for a call from Santander's head office. Mrs M and Mr M weren't happy about this, especially as the call from Santander's head office never came. So, they raised a complaint.

Santander responded to Mrs M and Mr M and explained that the opening of the several new savings accounts had been flagged by their fraud prevention systems as being suspicious which had led to their accounts being blocked while a review was undertaken. Santander didn't feel that they'd done anything wrong by blocking Mrs M and Mr M's accounts in this scenario, and they noted that a fraud review had been concluded on 19 September 2023 and that Mrs M and Mr M's accounts had been unrestricted at that time.

However, Santander acknowledged that Mrs M and Mr M had been inconvenienced by what had happened and they paid £100 to them as a gesture of goodwill. Mrs M and Mr M weren't satisfied with Santander's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Santander had acted unfairly in how they'd managed the situation. Mrs M and Mr M remained dissatisfied, so the matter was escalated to an ombudsman 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.

Mrs M and Mr M have confirmed that they did apply for and open several new savings accounts on the same day by mistake. And they've explained that this happened because they first applied for an account in Mr M's sole name before realising that they had wanted to apply for an account in joint names and so submitted a new application. Then, upon applying for a joint account, they realised they'd provided incorrect contact details in the application, and so applied for a third account. And then further accounts after this, for similar reasons.

However, while Mrs M and Mr M have explained the nature of their mistake and how it occurred, I'm satisfied that from Santander's perspective the opening of several new savings accounts on the same day, all with slightly different information, was suspicious. And it must be noted that the opening of several accounts in quick succession, all with slightly different

information, is a known potential precursor for an attempted scam.

Fraud prevention systems are used by financial institutions to flag account activity that may be of concern and to prevent further usage of an account where it's felt that there is a possibility that fraud may be potentially occurring. Indeed, it must be noted that financial institutions such as Santander have an obligation to employ such systems to comply with banking regulations which require banks to have systems in place to protect their customers' accounts, as much as possible, from acts of attempted fraud.

Additionally, it's incumbent on banks to employ these systems with a degree of vigilance – to err on the side of caution, as it were – which unfortunately means that there will be instances where legitimate activity will be flagged by the fraud prevention systems. And I'm satisfied that this is what happened in this instance.

So, while I can appreciate why Mrs M and Mr M were unhappy that their accounts were restricted by Santander, I don't feel that Santander did anything wrong or acted unfairly by restricting Mrs M and Mr M's accounts as they did.

Santander have confirmed that Mrs M and Mr M's opening of several new accounts was flagged by their fraud prevention systems as being suspicious activity, which led to Santander taking the decision to restrict all of Mrs M and Mr M's accounts pending a review of what had taken place by their fraud team. Mrs M and Mr M are unhappy that this review wasn't concluded until 19 September 2023, which was a full week after Santander first restricted their accounts on 12 September 2023, especially as they'd provided an explanation of what had happened to Santander shortly after their accounts were blocked.

But while the explanation Mrs M and Mr M gave to Santander was made available to their fraud team when Mrs M and Mr M gave it, it was still for Santander's fraud team to conduct and conclude the review to its satisfaction. Santander have explained that there is no definitive timescale for a fraud review of this nature to be concluded. And, on balance, given the circumstances here, I don't feel that Santander concluding their review within a week – by 19 September 2023 – was an unreasonable or an unfair amount of time.

Mrs M and Mr M are also unhappy that when Santander restricted their accounts, they didn't proactively contact them to advise of this. But it's often the case that banks such as Santander won't proactively reach out to account holders in instances of potential fraud. This is because there are several types of fraud in which the account holder is being actively misled and coerced by the fraudster. In these circumstances, actively reaching out to an account holder can enable the fraudster to have the restrictions removed so that the fraud can be progressed. As such, it's common for banks to restrict accounts and let the account holders notice this and then contact the bank themselves. And this is what Santander did.

Mrs M and Mr M have also explained that they're unhappy that Santander wouldn't allow them to undertake transactions in branch during the time that their accounts were restricted. I can appreciate Mrs M and Mr M's frustration in this regard, and I accept it would have been preferable for them if that had been possible. But I don't think it's unreasonable for Santander to maintain restrictions on accounts before Santander have concluded to their own satisfaction that such restrictions should be removed. Accordingly, I feel that it's fair for it to have been at Santander's discretion whether any account activity would be permitted while the restrictions were in place.

Finally, I note that Santander paid £100 to Mrs M and Mr M as a goodwill gesture, which was provided alongside an explanation of why their accounts had been restricted. This goodwill gesture was made at Santander's discretion, and I'm satisfied that it didn't constitute any admission or error by Santander and was simply a gesture of goodwill to Mrs M and Mr M.

All of which means that I won't be upholding this complaint or instructing Santander to take any further action here. This is because I'm satisfied that Mrs M and Mr M did act in a manner – the opening of several new accounts – which meant that both the restricting of their accounts by Santander and the need for a thorough fraud review to be undertaken before those restrictions were removed, was both fair and reasonable. And while I appreciate that Mrs M and Mr M will disagree, I don't feel that Santander's conducting and concluding the fraud review did take an unreasonable amount of time.

Of course, this isn't to say that Mrs M and Mr M weren't inconvenienced by what took place, and I acknowledge and accept that they were. But it is to say that I feel that the inconvenience that Mrs M and Mr M incurred was a fair and reasonable consequence of Santander's response to Mrs M and Mr M's actions – the opening of several savings accounts. As such, while I accept this inconvenience was unfortunate for Mrs M and Mr M, I don't feel that it was unfair.

I realise this won't be the outcome Mrs M and Mr M wanted, but I hope that they'll understand, given what I've explained, why I've made the final decision that I have.

### **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 Mrs M and Mr M to accept or reject my decision before 26 March 2024.

Paul Cooper  
**Ombudsman**