

The complaint

Mr B is unhappy that Santander UK Plc placed a block on his bank account without notifying him and that they took too long to remove the blocks.

What happened

In December 2022, Mr B received a credit of £400 into his account. The sender of this payment raised a dispute with their bank on 26 April 2023. In response to this report of a purchase scam from the sender's bank, Santander placed a block on Mr B's account.

Mr B tried to make some payments on 27 April 2023 but was unable to. He called Santander and was informed that his account had been blocked. He was asked to provide evidence to show his entitlement to the funds and was asked to visit a branch to withdraw funds. He explained that when he visited a branch, he was only allowed to withdraw £150 cash.

Since Mr B needed to withdraw more money, he called Santander's customer services while he was still in the branch. He explains Santander told him that he needed to send over the evidence they'd asked for before he could make more withdrawals. He says he sent Santander the information they asked for and was told that someone would look at it that day and get back to him.

Mr B contacted Santander again later the same day when he hadn't heard back. He explained he made numerous calls to Santander over the next few days in an attempt to get updates and was promised call backs which he didn't receive. He also says that Santander told him when he called them on 27 April 2023, that if he gave evidence of his wages going into his account then he'd be able to withdraw it. However, Mr B says this was a lie as he wasn't given this information.

Santander explained that they had certain legal and regulatory obligations which required them to block the account and carry out an investigation. They acknowledged Mr B's annoyance and frustration but said that the steps they took were in line with the terms and conditions of the account. They confirmed the blocks were removed from Mr B's account once their investigation was concluded on 3 May 2023.

They also accepted that their level of service they gave to Mr B wasn't up to standards. They acknowledged that they gave him incorrect information and that promised call backs didn't happen. They apologised and noted Mr B's feedback. They offered Mr B £150 compensation for the distress and inconvenience caused.

Unhappy with this, Mr B referred his complaint to our service. He didn't feel the £150 offered fairly compensated him for the time spent, costs he's incurred and the impact on his credit score. He explained that he had several payments set up using his card which bounced. He told us that this affected his credit score. He also said that he had to purchase materials for his business and wasn't able to use his usual supplier, so this cost him an additional 15%.

Our investigator said that Santander were able to restrict Mr B's account to carry out an investigation. He thought Santander hadn't done anything wrong in not communicating the

restriction as they needed time to carry out a review before deciding the next course of action after they received the notification from the sender's bank. He felt that the compensation Santander had offered for providing incorrect information and failed call back promises was fair. Mr B disagreed and asked for an ombudsman to review his complaint.

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.

I've looked at the terms and conditions of Mr B's account. These allows Santander to suspend access to his account under some circumstances, such as if they have concerns about the security of the account, if they suspect the account may be used in an unauthorised or fraudulent way etc.

The report the sender's bank sent regarding the payment received into Mr B's account gave Santander sufficient reason to block his access to his account, as it gave them reason to have concerns over the security of the account and suspect if the account may have been used in a fraudulent way. So, I'm satisfied Santander acted in line with the terms and conditions of the account when they blocked Mr B's access to his account pending their investigation.

Mr B wasn't aware of the block placed on his account, so I can appreciate the embarrassment and frustration he experienced when he tried to make payments on 27 April 2023. However, I don't think it was unreasonable for Santander to review the information they'd received from the sender's bank to decide the next steps before notifying Mr B, given the nature of the report. Mr B reached out to Santander in the morning of 27 April 2023, so there was a very small gap between Santander blocking Mr B's account to him being told the reasons for the block.

I can see Mr B provided Santander with the information they asked for regarding his entitlement to the payment on 27 April 2023 which was the same day they requested it. They concluded their investigation and decided to unblock Mr B's account on 3 May 2023. Santander have told us that they don't have a specified timescale within their processes to complete their investigation.

I'd expect Santander to review the evidence Mr B gave them and conclude their investigation within a reasonable time and without avoidable delays. I agree, it would've been helpful if Santander acted sooner on the information Mr B had provided, given that he'd sent this to them so promptly. But the delay was caused due to the bank holiday and the case handler being out of office. Overall, Santander took four working days which I don't think is unreasonable.

I'm satisfied that Santander gave Mr B access to some of his funds whilst they carried out their investigation – I can see the account movements show, as well as a cash withdrawal of £150 on 27 April 2023, there were transfers made to an alternative account in Mr B's own name on 29 April, 30 April and 2 May 2023 amounting to around £1,200. I can also see that Mr B's direct debits and standing orders were still paid during the time when his access to the account was blocked.

I understand that the missed payments Mr B has referred and the additional expenses he's incurred to relates to his business. However, Mr B's account is a personal bank account and the terms and conditions of his account don't allow him to use his account for business purposes. So, I can't fairly hold Santander liable for expenses related to Mr B's business as a result of a block on his personal account.

In any event, while I accept the very nature of these types of checks are likely to cause genuine customers like Mr B distress, frustration and inconvenience, it doesn't mean that Santander have acted incorrectly or treated Mr B unfairly.

Since I'm satisfied Santander had legitimate reasons to block Mr B's access to his account and they concluded their investigation within a reasonable time, I can't fairly ask them to compensate Mr B for the distress and inconvenience or financial loss he says he's incurred.

I agree Santander have let Mr B down in customer service they gave to him. I can see Mr B called Santander several times and they missed the opportunity to manage his expectations. They failed to keep up with their promised call backs and gave him incorrect information. I think this caused Mr B unnecessary frustration, annoyance and inconvenience.

I'm pleased to see Santander have acknowledged this and apologised to Mr B. They've also noted his feedback. And they've also offered £150 compensation. I appreciate Mr B feels the compensation amount should be higher. But taking into account the impact on him caused by the poor customer service, I'm satisfied £150 is fair and reasonable. here

My final decision

For the reasons explained above, my final decision is that Santander UK Plc should pay Mr B £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 April 2024.

Ash Weedon
Ombudsman