

The complaint

Mr L complains that Santander UK Plc unfairly closed his account.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr L applied for a basic account with Santander, and as part of its account opening process, Santander carried out due diligence checks. Following these checks, Santander informed Mr L on 6 November 2023 of its decision to close Mr L's account in line with its terms and conditions.

Mr L raised a formal complaint about the account closure. Santander explained it had acted based on information recorded against his name on the Credit Industry Fraud Avoidance System (CIFAS). It explained that Mr L could query the information recorded against his name with CIFAS and the bank which recorded the information. But it explained that in the meantime it wouldn't be reopening his account.

Mr L remained unhappy and referred his complaint to our service. An Investigator reviewed the complaint and found that Santander had acted fairly in the circumstances.

Dissatisfied with this review, Mr L asked for his 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.

First, this decision only relates to Mr L's complaint against Santander. Mr L has also complained about the bank which recorded the marker against him on the anti-fraud database CIFAS. The two complaints, about two different banks, are dealt with separately. This decision relates only to whether or not Santander treated Mr L fairly and reasonably.

CIFAS is a fraud prevention agency, which has a large database on which information is recorded to protect financial businesses and their customers against fraud. Mr L opened a bank account with Santander, and as part of its due diligence process Santander checked the CIFAS database. This is a standard part of the process when a new account is opened, and an important step in ensuring bank's meet their regulatory obligations.

Santander decided to close Mr L's account based on the information recorded on CIFAS. Santander provided Mr L with notice so he could make alternative arrangements and withdraw his funds. Banks can close a customer's account if they wish to, and don't have to give a reason – in the same way that customers can choose to close an account and don't have to give a reason. This is set out in the terms and conditions of Mr L's Santander account. I can see Santander has explained the closure was due to information recorded on

the CIFAS database, and it directed Mr L to contact CIFAS directly if he wanted more details.

I also consider that it was reasonable for Santander to rely on the CIFAS database when taking its decision. It didn't have to conduct its own investigation into why the other organisation had recorded the marker, or whether it was correct. And the presence of the CIFAS marker recorded against Mr L, clearly met Santander's terms and conditions for closing a customer's accounts.

Mr L says he never received the letter from Santander notifying him of the impending closure. Santander has provided a copy of this letter and it is correctly addressed to Mr L and at his current address. I understand Mr L says he didn't receive this, but I can't fairly hold Santander liable for this.

I can see the closure of the account has caused Mr L distress, and he has explained the impact Santander's decision has had on him. Unfortunately, an account closure will inevitably cause a level of inconvenience and the account holder will have to spend time making alternative arrangements. But this isn't something I can fairly ask Santander to compensate Mr L for, as its decision was made in line with its account terms.

I am sorry to hear of the difficulties Mr L has experienced and appreciate this has been a challenging time for Mr L. However, based on the evidence I have seen, Santander has acted reasonably and directed Mr L to the relevant organisations that can assist him. Santander has also explained that if the information recorded against Mr L is removed, it can reconsider its decision to close his account. I think this is a fair approach in the circumstances.

I know this will not be the outcome Mr L was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Santander to take any further action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 March 2024.

Chandni Green
Ombudsman