

The complaint

Ms N complains Santander UK Plc (“Santander”) closed her account shortly after opening it, and by doing so has discriminated against her due to her nationality.

What happened

Ms N opened a Basic bank account with Santander on 16 March 2023. Two days later, Santander blocked Ms N’s account. On 22 March 2023, Santander wrote to Ms N and notified her that it had closed her account with a zero balance.

Ms N complained to Santander and said it had closed her account because of her nationality despite being legally resident in the UK with the right to work. And this contradicts the provisions of the Equality Act 2010.

Santander sent Ms N its final response, and it didn’t uphold her complaint. In summary, the key points it made were:

- It’s unable to offer banking facilities to Ms N and its hasn’t made an error in doing so
- Santander has the right to close an account at any time, and it isn’t required to give any more information about this
- Its decision isn’t discriminatory, and it doesn’t contradict the Equalities Act 2010

Unhappy with Santander’s response, Ms N referred her complaint to this service. Ms N has appointed a representative, but to keep matters simple, I’ll mainly refer to her in my decision.

Ms N has said that Santander’s decision made her feel like an unwelcome guest and has affected her mental and physical wellbeing to the point she felt humiliated and vulnerable. She says she needed a bank account to be able to work and have her salary and child benefit paid into it. Because of this she had to rely on her husband.

Ms N has been able to open another account since with another provider. Ms N says that Santander’s actions have caused her considerable distress, in addition to the inconvenience associated with opening a new account.

One of our Investigator’s then looked into Ms N’s complaint. They recommended the complaint is upheld. In summary, they made the following key findings:

- Santander hasn’t provided enough evidence to show it treated Ms N fairly by closing the account. But they’ve seen no evidence to say it closed the account due to Ms N’s nationality or that it breached the Equality Act 2010
- Santander isn’t obligated to tell its customers why an account has been closed, but they’d expect the decision to be fair
- Santander should pay Ms N £150 compensation for the upset and inconvenience its actions have caused as she had to rely on her husband for funds and it delayed her

finding work

Santander didn't agree with what our Investigator said. Santander say it had followed its own internal processes and policy when closing Ms N's account which it has the right to do. Santander also didn't agree that its actions delayed Ms N finding work or that she had to rely on her husband for financial help.

Ms N maintained that Santander's actions were discriminatory, and that it isn't fair it can close her account for any reason. But to resolve matters, she was happy to accept our Investigator's outcome.

As Santander didn't agree, this complaint was passed to me to decide. I then sent both parties my provisional decision, in which I said I was planning on upholding the complaint. For ease of reference, here is what I said:

Provisional decision

"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, and based on the limited information I have, I'm planning on upholding this complaint. I'll explain why.

Our role is to review whether Santander treated Ms N fairly and its actions were reasonable. Ms N's complaint involves an allegation of discrimination based on a protected characteristic. We're required to take the Equality Act 2010 into account when dealing with complaints of this nature when deciding what's fair and reasonable. But it's not for us to make a decision that a business has breached the Equality Act 2010. That's the role of the Courts.

Where we decide a business hasn't acted reasonably, we ask the business to put things right for the consumer.

Santander has a set of procedures in place for monitoring accounts in order to comply with its legal and regulatory obligations. This means it's entitled to block an account to review it at any time. Santander is also generally entitled to close an account providing it's in line with the terms and conditions of the account. Santander's terms and conditions say it can close an account with two months' notice, or immediately in certain situations.

Santander is also under no obligation to explain why it restricted and then closed Ms N's account. But if a complaint about such actions is referred to this service, it should provide us with enough information so that we can determine if its actions were in line with its obligations, terms of account, and that it has acted fairly and reasonably in doing so.

Our Investigator asked Santander for information to support that the actions it took in respect to Ms N's account were fair. Santander closed Ms N's Basic bank account with immediate effect following a short review. In doing so it should also have considered the provisions of the Payment Accounts Regulations 2015, which amongst other things sets out when it can close a Basic bank account. But the information Santander has provided isn't sufficient for me to conclude it treated Ms N fairly when closing her account immediately.

In particular, I've not seen enough evidence to suggest Santander looked into Ms N's allegation of discrimination. I note Santander has addressed this allegation in its final response – but I haven't seen enough information from it to show how it came to this conclusion. And in the absence of an investigation and/or appropriate response from

Santander, I can empathise with why Ms N feels she's been treated unfairly – irrespective of whether or not she actually was – given what she's said about the events leading up to, and after, the closure.

As I'm satisfied Santander hasn't treated Ms N fairly, I've considered the impact this had on her.

I'm satisfied Ms N's belief that she's been treated unfairly has caused considerable distress to her. And I'm also satisfied the closure of her account caused Ms N inconvenience. I've already explained, as above, the impact Ms N says Santander's actions have had on her, and I think this is reasonable in the circumstances of this complaint. So I'm going to recommend Santander pay Ms N £450 in compensation.

In reaching this award I've considered the impact this has had on Ms N. She has said Santander's actions made her feel isolated and an 'unwelcome guest' in the UK. Ms N has also said she felt humiliated when her account was closed in this way, and it made her feel vulnerable.

She added that because of this she was in fear of the reaction of others which impacted upon her mental and physical wellbeing. Ms N says that not having an account restricted her from getting a job at the time as she had no means of getting payment"

Santander has responded to my provisional decision and said it agreed to pay Ms N £450 compensation. Ms N has also now responded and has said she agrees with what I said I was planning to decide in my provisional decision.

As both parties have responded, I will now decide this 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.

For the reasons in my provisional decision, as above, I have decided to uphold this complaint.

Both parties have agreed to what I said I was planning on deciding. So to put things right, Santander should now pay Ms N £450 compensation for the distress and inconvenience it caused her.

My final decision

For the reasons above, I uphold this complaint. Santander UK Plc must now pay Ms N £450 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 8 March 2024.

Ketan Nagla
Ombudsman