

## **The complaint**

Miss R and Mrs R are unhappy that Santander UK Plc restricted their account.

## **What happened**

Miss R and Mrs R hold a joint bank account with Santander. On 23 November 2023, Miss R received a text message from Santander informing her that her account had been restricted, and Miss R and Mrs R then discovered that all of Miss R's accounts had been restricted by Santander, including the joint account they held together.

On 25 November 2023, Miss R called Santander about her accounts and was asked about a payment she'd received. Miss R and Mrs R weren't happy with the nature of the questions Miss R was being asked, or with the tone of Santander's agent, which they felt was accusatory. Miss R and Mrs R also weren't happy that Miss R was asked to provide proof of entitlement for the payment in question. So, they raised a complaint.

Santander responded to Miss R and Mrs R and explained that they didn't think they'd done anything wrong by administering their account as they had. Miss R and Mrs R weren't satisfied with Santander's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. They accepted that Miss R and Mrs R had been inconvenienced by what happened. But while they felt this was unfortunate, they didn't feel that Santander had acted unfairly and so didn't uphold the complaint. Miss R and Mrs R 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.

Miss R owns a property and was receiving monthly rental payments of £1,450 from her tenant. A dispute arose between Miss R and the tenant which resulted in the tenant approaching their own bank – the bank from which the tenant paid the monthly rental payments to Miss R's bank – and filing a report accusing Miss R of taking one instance of £1,450 from them fraudulently. The tenant's bank then submitted a potential fraud report to Santander on that basis.

When a bank receives a potential fraud report from another bank, as Santander did here, it would be expected that the bank receiving the report would investigate the matter and place restrictions on the accounts of the person being investigated while that investigation is ongoing. This is because, if the account holder was conducting fraudulent activities, it would be wrong to allow them the opportunity to move money that they had obtained fraudulently from their account.

In this instance, Miss R wasn't conducting any fraudulent activities. But I feel that it's both reasonable and expected that Santander would have restricted her access to her accounts while they completed their investigation into the report that they'd received – including the

account that she held jointly with Mrs R.

Miss R and Mrs R have said that Santander shouldn't have taken the potential fraud report that they received from the other bank at face value, and that Santander should have contacted them directly to ask about the matter rather than restricting Miss R's accounts as they did. However, I don't agree with Miss R and Mrs R's position on this matter, and I'm satisfied that it was reasonable and appropriate for Santander to treat the potential fraud report with utmost seriousness – as I would expect Santander or any other bank to treat any potential fraud report that they receive.

It also must be noted that it wasn't the case that Miss R had no access to her accounts. This is because Santander's restrictions were intended to prevent the movement of the £1,450 in question and didn't affect the receipt of credits into the account or the payment of scheduled direct debits from the account. And Santander also explained to Miss R that if access to received salary or benefits was needed, that this would be allowed.

Miss R and Mrs R are also unhappy with the nature of the questions that Santander asked them about the £1,450 payment in question, or that Santander asked Miss R to provide a tenancy agreement to demonstrate her entitlement to the funds. But it's the nature of an investigation that questions must be asked, and relevant information obtained. And I don't feel that Santander acted unreasonably in how they sought to confirm or refute the potential fraud report that they'd received from the other bank. Additionally, having listened to the call where Miss R was questioned about the payment, I feel that Santander's agent was professional and polite.

All of which isn't to say that Miss R and Mrs R weren't inconvenienced by what happened here, and it's clear and obvious to me that they were. But it doesn't necessarily follow that because some frustration and inconvenience has been experienced that an unfair act has occurred. And there can be instances where a degree of trouble and upset can be an unfortunately necessary consequence of a business following a reasonable process. And I feel that this is what happened here.

Ultimately, given the potential fraud report that Santander received and their moral and regulatory obligations upon receiving such a report, I don't feel that Santander acted unfairly by investigating the report as they did – including restricting Miss R's accounts. Indeed, if Santander had acted in any way other than they did here, given the seriousness of potential fraud reports, I'd almost certainly feel that Santander would have acted irresponsibly.

I realise this won't be the outcome that Miss R and Mrs R were wanting, but it follows from all the above that I won't be upholding this complaint or instructing Santander to take any further or alternative action here. This is because I'm satisfied that Santander's actions upon receiving the potential fraud report were reasonable, and that the frustration and inconvenience Miss R and Mrs R suffered as a result of those actions was an unfortunately necessary consequence of Santander's receipt of that report – and weren't unfair.

### **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 Miss R and Mrs R to accept or reject my decision before 26 June 2024.

Paul Cooper  
**Ombudsman**