

## **The complaint**

Mr C is unhappy that Santander UK Plc placed restrictions on his account and with the service he received surrounding this.

## **What happened**

Mr C tried to make a large transfer from his account. However, the transfer was flagged by Santander for further checks and restrictions were placed on Mr C's account pending those checks. Mr C spoke with Santander and answered several questions with them. But he was then told that he would need visit a Santander branch with his personal identity documents before the restrictions on his account would be removed. Mr C wasn't happy about this, and he also wasn't happy with the service he received from Santander when speaking with them. So, he raised a complaint.

Santander responded to Mr C and explained that they didn't feel they'd done anything wrong in how they'd administered his account. But Santander did acknowledge that there had been times when Mr C had received poor service when speaking with their agents, and they apologised to Mr C for this and offered to pay £100 to him as compensation for any trouble or upset he'd incurred. Mr C wasn't satisfied with Santander's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. While they were doing so, Santander recognised some further service issues that Mr C had experienced and increased their offer of compensation to £175 because of this.

Our investigator felt that Santander's offer represented a fair outcome to the service aspect of this complaint. And they didn't feel that Santander had acted unfairly by blocking the transaction and restricting Mr C's account as they had. Mr C 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.

Santander have explained that the transaction Mr C tried to make was flagged by their fraud prevention system. Such systems are used by all 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 potentially be 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.

Furthermore, 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 legitimately authorised transfers are flagged erroneously by the fraud prevention systems. And that appears to be what happened in this instance.

This isn't to say that Mr C wasn't inconvenienced because of his transaction being flagged by Santander's fraud prevention systems. But it is to say that I feel that any frustration that Mr C experienced in this regard was unfortunately necessary, given the requirement on Santander to operate such systems. And because I feel that Santander's implementation of their account security processes was unfortunately necessary, I don't feel that it was unfair.

This includes the fact that when Mr C spoke with Santander, after discovering that his account had been restricted because of the flagged transaction, he was told by Santander that he would need to visit a Santander branch to verify his identity in person.

This is because, given the nature of the concerns that Mr C's attempted transaction attracted, I feel it was reasonable for Santander to have held been worried about the validity of the transaction instruction and the potential security of Mr C's account, and to therefore merit their requiring an in-person identity verification.

When Mr C visited Santander's branch and verified his identity with them, Santander removed the restrictions from his account. This is what I would expect. And, as I've alluded to above, I ultimately feel that Santander's obligation to have account security processes in place, reasonably overrides any frustration and inconvenience that Mr C may have experienced in having to comply with those processes. And for this reason, I won't be upholding this aspect of Mr C's complaint.

But Santander have apologised to Mr C for several instances of poor service he received surrounding the restricting of his account. These include that calls were terminated by Santander's agents without warning, that Mr C didn't a call back he'd requested, and a possible delay in logging a Data Subject Access Request that Mr C had submitted.

Santander have offered to pay £175 to Mr C as compensation for any trouble or upset he may have incurred because of these instances of poor service. And, upon reflection, this feels fair to me.

In arriving at this position, I've taken into consideration the impact of these instances of poor service on Mr C. But I've also considered that Mr C doesn't appear to have spoken with Santander's agents in a reasonable manner, such that Santander felt it necessary to warn him about how he speaks with their staff members and which I feel contributed to his calls with Santander staff member's being terminated without warning. And I've also considered the general framework this service uses when assessing compensation amounts, details of which have already been provided to Mr C. And, having done so, I'm satisfied that £175 is a fair compensation amount in this instance.

Mr C has said that he feels £175 doesn't fairly reflect the time that he's taken when trying to resolve this matter, including having to send detailed emails and letters about what happened to Santander.

These emails and letters mentioned the service issues that Mr C had experienced. But the correspondence also included lengthy explanations of Mr C's dissatisfaction that Santander had restricted his account – which, as explained, I don't feel it was unfair or unreasonable for Santander to have done. And because of this I feel it's likely that Mr C would still have written similar correspondence to Santander, had the service issues never occurred.

It's also important to note that Mr C was asked to verify his identity in branch by Santander on 20 August 2023 but didn't visit a Santander branch until 30 August 2023 – ten days later – when the account restrictions were removed.

Mr C wrote long items of correspondence to Santander on 22 and 28 August 2023, during the ten-day period between his been told that he would need to visit branch and his visiting branch. And I feel that if Mr C had complied with what I feel was a fair and reasonable requirement for him to visit Santander's branch sooner than he did, that he would then have had no need to have written the emails and letters. And so I don't feel that Santander should be considered responsible for Mr C's dissatisfaction in this regard.

All of which means that while I will be upholding this complaint in Mr C's favour, I'll only be doing so to instruct Santander to pay the £175 to Mr C that they've already offered to pay. And I won't be issuing any further or alternative instructions beyond this. I realise this won't be the outcome Mr C was wanting. But I hope that he'll understand, given what I've explained, why I've made the final decision that I have.

### **Putting things right**

Santander must pay £175 to Mr C.

### **My final decision**

My final decision is that I uphold this complaint against Santander UK Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 May 2024.

Paul Cooper  
**Ombudsman**