

The complaint

Mr F complains Santander UK Plc blocked then closed his account, without a reason or any warning. He wasn't able to pay one of his direct debits and he's concerned about his credit history. Mr F would like compensation.

What happened

The facts which led to Mr F bringing his complaint to our service are well known to both parties, so I am not repeating them in full here.

In summary Mr F had an account with Santander. On 9 January 2024 Mr F realised he couldn't use his account. He found out Santander had blocked his account and were carrying out a review.

Santander issued Mr F with a notice to close letter on 18 January 2024 and they enclosed a cheque for the balance on his account.

Mr F has told us he had a direct debit for his mobile phone provider due and he wasn't able to pay it because of his block. He also had to borrow money from a friend to pay his credit card bill. Mr F has said he had another account with another bank, so he was able to pay the cheque in to his other account.

Mr F's ISA account was also closed on 9 February 2024 with immediate effect but there was no funds in that account, Mr F hasn't complained about the closure of that account.

Santander said they were complying with their legal and regulatory obligations when they reviewed their account and the account had been closed in accordance with the terms.

Mr F complained to our service. One of our investigators looked into the complaint. She thought Santander were entitled to close the account but should have given Mr F 60 days' notice. She awarded Mr F £100 compensation for the inconvenience of the immediate closure.

Santander was unhappy with the view they said they had complied with their terms and their legal and regulatory requirements. They didn't think they had treated Mr F unfairly.

As there was no agreement the matter came to me, and I issued a provisional decision.

In my provisional decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'll start by setting out some context for the review of Mr F's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied Santander were complying with these

obligations when they reviewed and blocked Mr F's account.

I can see that in blocking the account the bank were following an internal process which they carried out in order to comply with their legal and regulatory obligations. This was a legitimate exercise so I can't say Santander was unfair. I am satisfied there were no delays in the conduct of the review.

Following the review, Santander decided to close Mr F's account with immediate effect. They sent him a letter dated 18 January 2024 and enclosed a cheque for the balance.

It's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed. Banks should, however, give reasonable notice before closing an account. Usually that means 60 days' notice, but it can be less depending on the circumstances. In this case Mr F had his account closed with no notice.

I've looked at the terms and conditions of his accounts and I'm satisfied Santander acted fairly when they closed the account with immediate effect. The terms and conditions outline that the bank can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case Santander closed Mr F's account without notice. For Santander to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that the bank has applied the terms fairly. And it was entitled to close the accounts as it's already done.

Mr F has said he wasn't given a reason why his account was blocked and later closed. Whilst Mr F may have expected to be given the reasons for the account closure. Santander isn't required to give him a specific reason. And I can understand Mr F's frustration that he hasn't been provided a detailed explanation. But as the investigator has explained, Santander is under no obligation to provide this information to him, as much as he'd like to know. So, I can't say Santander have done anything wrong by not giving Mr F this information.

Mr F has said that he was unable to pay a direct debit for his mobile phone provider because of the block and immediate closure and he is concerned about his credit record. The investigator asked Mr F for evidence of this, but he was unable to provide it. In any event I've already said Santander acted fairly when they blocked and closed Mr F's account, so I don't think they have to do anything else here.

Responses to my provisional decision

Mr F hasn't commented on my provisional decision. Santander has said they have nothing further to add.

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.

Although Mr F and Santander have not provided any further comments, I have nevertheless re-considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have seen nothing to change my mind and so my provisional findings stand. I remain of the view that this complaint should not be

upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

For the reasons stated above I do not uphold this complaint.

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

Esperanza Fuentes
Ombudsman