

The complaint

Mr J complains Santander UK Plc ("Santander") restricted his account without notice nor explanation. And its staff have been rude and abusive to him.

What happened

In May 2023, following an internal review, Santander spoke to Mr J about payments he'd received in November and December 2022 amounting to £20,000 into his account and asked him to send documents to show his entitlement to them. Broadly, Mr J explained the funds were payments related to a project he had started for disadvantaged people.

Santander blocked Mr J's account. But he was able to transfer around £42,000 from his savings account with Santander on 22 May 2023 to one of his external accounts. Mr J says Santander are holding onto £20,000 in his current account which is earmarked for a project he is running. And because of that he's had to use his own funds to continue running the project.

Unhappy with Santander's action's, Mr J complained. Santander looked into his complaint, and in summary made the following key points in its responses:

27 May 2023 response

- Mr J received poor customer service on 22 May 2023. Because of the inconvenience this caused Santander credited his account with £50

31 May 2023 response

- Santander had no alternative but to suspend Mr J's account until he was able to show his entitlement to funds in his account and provide information about their source given its concerns
- Mr J has provided information about his entitlement which is being reviewed

6 June 2023 response

- It apologised for the interaction that took place on 2 June 2023 where Mr J felt he had not been treated properly
- Mr J explained the agent was rude and was antagonising him by asking further questions about his previous address. But this information was required as part of Santander's security process. Mr J declined to register for voice recognition which would eliminate the need for manual security
- Mr J was told the agent he spoke to on 2 June 2023 will be given feedback. Mr J was offered a goodwill payment as compensation which he declined

Unhappy with what Santander said, Mr J referred his complaint to this service. He also explained he was taking his ex-employer, from whose account the payments amounting to

£20,000 came from, to an employment tribunal. Mr J provided documentation to show he was taking such action because he was being falsely accused of fraudulently taking the money, and that it was being driven by racial discrimination.

On 15 June 2023, after receiving indemnity requests from the sending bank, Santander returned £4,303.08 from Mr J's current account, and £485.24 from his savings account to it. Santander say this is what it calculated was left from the £20,000 funds that were being disputed.

One of our Investigator's looked into Mr J's complaint, and they recommended the complaint isn't upheld. In summary, their key findings were:

- Mr J is engaged with an ongoing dispute with a third-party, which he believes is the reason why his account has been restricted. But our responsibility is to see whether Santander has acted fairly in the actions it has taken
- Santander has not made any error in reviewing and blocking Mr J's account. And it is under no obligation to provide an explanation
- The evidence Mr J has provided to show his entitlement to funds isn't sufficient to direct Santander to release any funds or remove account restrictions
- Having listened to most of the calls Mr J had with Santander, they don't agree its staff acted in a rude, unhelpful, and abusive way
- Having listened to the calls on 22 May 2023, Mr J requested confirmation of a transaction he made, and Santander's agent recommended he visits a branch for this. Mr J wasn't forced to go into the branch. But there was some confusion and because of that Mr J spent a reasonable amount of time of the call. Santander awarded some compensation for these calls, and this has been paid
- The call Mr J says took place on 6 June 2023 isn't available. But the advisor is unlikely to have called Mr J a 'loser' who they could treat any way they wanted – and the call notes don't reflect this is what was said. So no additional compensation is recommended

Mr J didn't agree with what our Investigator said. In summary, Mr J said:

- The refusal to acknowledge the blocking of Mr J's account without his knowledge is unacceptable
- He has provided ample evidence the funds were not acquired fraudulently. He has not been charged of any crime and he is taking legal action against his accuser
- Santander's staff were rude and abusive towards him, and they should be held to account for such actions

Our Investigator reiterated and expanded on their reasoning in response. But as there was no agreement, this complaint was passed to me to decide. I then sent both parties my provisional decision in which I said what I was planning on deciding. For 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, I'm planning on not upholding this complaint. I'll explain why.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr J and Santander have said before reaching my decision.

I'd also add that I note that some funds being returned by Santander to the remitting bank – as above – is something Mr J is likely to be unaware of given our Investigator didn't mention it. But I think this is material to this complaint. Mr J will of course have a further opportunity to present evidence and new comments to any of the findings I reach in this provisional decision.

Account restriction

Banks in the UK, like Santander, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Santander has explained and provided evidence as to why it decided to restrict Mr J's account in the way it did. Having carefully considered this, I'm satisfied it has done so in line with its obligations.

Mr J says Santander should be clear about its reasons for acting in this way and that it should inform him of the manner and scope of its investigation regarding any allegations made against him. But Santander is under no obligation to do so. Nor is it under any obligation to have notified Mr J of doing so before reviewing and restricting his accounts.

It's worth noting too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Santander has provided is information we consider should be kept confidential.

Funds returned to source

Santander has explained that it received indemnity requests from the sending bank for the funds that Mr J says he was asked about for evidence about his entitlement to. Mr J feels strongly that he has provided sufficient evidence of his entitlement to them.

I've looked through the evidence Mr J has sent which includes emails between him and his previous employer, an agreement, and details relating to the employment tribunal. From what I've seen, I'm not persuaded that is the case. What this information shows is that there is a dispute between both parties. And it appears that this is something the tribunal will consider.

So given the concerns Santander had, I'm satisfied it hasn't done anything wrong in

returning funds to the remitting bank. I'm also satisfied that Santander has carried out the right process in calculating what should be sent back based on the funds that are remaining in the account from those transactions.

Customer service

Santander has sent me its internal notes and some of the calls Mr J had with its agents. I'd like to assure Mr J that I've listened to these calls and carefully reviewed the notes. Having done so, I'm not persuaded that there is evidence enough that he has been provided with rude and abusive customer service.

I've listened to calls that took place on 2 June 2023 and on 22 May 2023. Broadly speaking, I think the communication broke down as Mr J was being asked extensive identification questions. But I'd expect Santander to do this given it has obligation to ensure it is speaking to the customer and I don't think any of the questions, or the process followed, was unreasonable.

I note Mr J says he was called a loser amongst other things on a call on 6 June 2023. Santander has not been able to locate and therefore send me this call. As I have limited evidence on this point, I'm not able to reach an unambiguous finding. However, where evidence is incomplete or inconclusive, I can reach a finding on what I think is most likely to have happened. That is, the balance of probabilities.

Santander's call notes do not reflect that this is what was said. So based on what I do have, I think it's unlikely Mr J was treated in the way he says he was on 6 June 2023.

I do however think that Santander could have done more to send Mr J a statement in the post as opposed to telling him to go into one of its branches. I note Santander has already paid Mr J £50 compensation for poor customer service. So I don't think it needs to do anymore to redress this"

The deadline I set for both parties to send me further comments and evidence has now passed. 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.

Having done so again, and for the reasons in my provisional decision, I have decided not to uphold this complaint.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 June 2024.

Ketan Nagla
Ombudsman