

The complaint

Mr and Mrs L complain Santander UK Plc blocked their account.

What happened

In October 2022 Mr and Mrs L received calls and letters regarding information Santander needed about their account. Santander said it might restrict Mr and Mrs L's access to their joint account if the information wasn't provided.

Some of the information Santander needed was historic, like proof of home ownership. Mr and Mrs L provided this information, with the help of their daughter, Miss L, who also holds power of attorney for her parents.

In December 2022 Santander told Mr and Mrs L the case was closed.

In January 2023 Mr L was contacted about information Santander needed about him. Mr L was in poor health at the time. Mr and Mrs L's account was blocked and after some visits to the branch, and calls from Miss L, the account was unblocked.

Santander sent a final response to say it no longer needed the information as the rules had changed, and paid Mr and Mrs L £50 to compensate for the inconvenience caused. In this letter Santander confirmed the cases against Mr and Mrs L were all closed.

In August 2023 Santander asked for more information, this time about Miss L, and then said the case was closed. And, again in October 2023 Santander contacted Mr and Mrs L for more information.

Each time Santander contacted Mr and Mrs L it said it could block their accounts if it didn't receive the information.

Mr and Mrs L complained to Santander and it responded, in October 2023, to say it needed to ask this information for regulatory purposes. Unhappy with this response, Mr and Mrs L brought their complaint to this service.

An investigator looked into things and thought Mr and Mrs L's complaint should be upheld. The investigator thought Santander acted unfairly in asking Mr and Mrs L for information about Miss L, their attorney, as Miss L wasn't an account holder.

The investigator also thought Santander was unreasonable in asking for information so many times, especially as it had confirmed cases were closed on several occasions.

Mr and Mrs L had asked Santander to switch their account to another bank and close it, and this hadn't been done correctly. The investigator thought the failure of the switch was Santander's error.

The investigator also thought it was unfair of Santander to say Mr and Mrs L could speak direct to certain call handlers, in the event of further problems, but hadn't followed through

with this.

The investigator thought a payment of £1,000 was fair to compensate Mr and Mrs L for the distress and inconvenience they'd been caused.

Santander disagreed and felt £500 was a fairer amount to pay. Santander also said it wasn't at fault for the failure of the switch. Santander then said it was at fault for the failure of the switch, but still felt £500 was fair.

Mr and Mrs L felt £1,000 wasn't enough to compensate them for the distress and inconvenience or the cost of travel to and from branches.

The complaint was passed to me to decide things.

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's explained it needed to complete a know your customer (KYC) check for Mr and Mrs L, and this is why it asked for information in October 2022.

The information Santander asked for was quite historic, but it's explained why it needed this information and it seems a reasonable decision from Santander to ask for what it did.

I realise this request put Mr and Mrs L to some effort, and the threat of blocking the account was worrying for them, but they were able to supply the information. I don't think Santander was wrong to ask for this initial information.

And obtaining the information is a regulatory requirement for Santander, so although worrying for Mr and Mrs L, I don't think Santander was unreasonable to say it might need to limit Mr and Mrs L's access to their account if it didn't receive the information it needed.

The threat of limiting the use of Mr and Mrs L's account was an effort to ensure they responded to Santander's request for information. In the specific circumstances of this first information request, I don't think this was unreasonable.

But I don't think it was fair for Santander to tell Mr and Mrs L it had closed the case and then continue to request information. And I don't think it was fair to block Mr and Mrs L's account after the first information request.

I also don't think it was fair for Santander to consider Miss L an account holder. Miss L holds power of attorney for her parents, and can transact on their account, if needed, but only in the way Mr and Mrs L would.

Miss L isn't able to use Mr and Mrs L's account as her own or carry out transactions she would normally make from her own account. Santander's been quite insistent Miss L should be considered an account holder, but I disagree.

By asking Mr and Mrs L for information about their daughter, or asking Miss L direct is, I think, unfair.

There are certain circumstances where Santander might need to understand if someone is a beneficial owner, or controller, of an account. But, in the specific circumstances of Mr and Mrs L, I don't think Santander needed information about Miss L.

Santander contacted Mr and Mrs L in August 2023, and Mr and Mrs L were again told the case was closed and compensated with some flowers and biscuits. In October 2023 there was a further request for information.

This was now the second time Mr and Mrs L had been assured the case was closed but were contacted again. This isn't a reasonable thing for Santander to do, and each new contact for information came with the threat of the account being blocked.

Mr and Mrs L were happy with the call they had with a specific complaint handler at Santander, and were told they could contact them direct in the future. This didn't happen, and Mr and Mrs L struggled to speak to this person again.

Frustrated with Santander, Mr and Mrs L looked to switch their accounts to another bank. Santander declined the switch because it misinterpreted its own guidance about when to switch an account with an existing power of attorney.

This failure of the switch meant some of Mr and Mrs L's direct debits went unpaid.

And even after Mr and Mrs L's account was closed, they were still contacted by Santander looking for information about them. All round, I think the amount of contact, and persistence from Santander was unreasonable.

I don't think there's any doubt Mr and Mrs L were caused distress and inconvenience by Santander's actions. Mr and Mrs L have explained the health issues they both have and travelling to a branch to try and sort things out was both inconvenient and costly.

And the constant threat of blocking their account, and then following through with the block, was distressing for both Mr and Mrs L.

And even when they looked to leave Santander, this was stopped, causing further frustration. Looking at the impact Santander's actions have had on Mr and Mrs L, I think a payment of £1,000 is fair in the circumstances.

I understand Mr and Mrs L feel this figure is too low, but I have to consider the impact Santander's actions have had on them, I can't punish Santander for its poor service.

Miss L has mentioned a data subject access request (dSAR) she asked Santander to complete. Miss L says this wasn't well handled.

But I can't consider this part of the complaint, I don't think Miss L is an eligible complainant, she doesn't hold the relevant relationship with Santander.

For the same reasons I don't think it's fair for Santander to consider Miss L one of its customers, and request information from her, I don't think I can consider Miss L one of Santander's customers. So, I can't comment on Miss L's dSAR.

I understand Miss L was also put to some effort to assist her parents in handling Santander's requests for information. I'm sure this was inconvenient for Miss L.

Again, I can't consider this inconvenience, as I don't think Miss L is a customer of Santander. And I also think Miss L shielded Mr and Mrs L from some of the inconvenience they could have been caused, by taking ownership of the dealings with Santander.

Because of this, I don't feel a higher payment is fair in the specific circumstances of Mr and Mrs L's complaint.

My final decision

My final decision is I uphold this complaint and Santander UK Plc should pay Mr and Mrs L £1,000 to compensate them for the distress and inconvenience they've been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 9 September 2024.

Chris Russ
Ombudsman