

## **The complaint**

Ms R is unhappy that Santander UK Plc restricted her access to her account, and with the service she's received surrounding that.

Ms R suffers with early onset dementia and so her complaint is brought to this service by her son, who holds Power of Attorney for her, and whom I'll refer to as 'Mr D'.

## **What happened**

To briefly summarise: On 23 October 2023, Ms R attempted to send £2,000 from her Santander account to Mr D, but the transfer was flagged by Santander's fraud prevention systems. Santander sent a notification of this to Ms R, who called Santander to verify the payment that same day.

However, when Ms R called Santander, it was discovered that she had two profiles – one in her married name and one in her maiden name. Because of this, Ms R was asked to visit a Santander branch with her personal identity documents to confirm her correct name and to merge the two profiles.

The following day, Ms R visited a Santander branch and presented her ID documents. But Ms R's passport was in her married name, and because Ms R had divorced, Santander needed to see ID documents in Ms R's maiden name. Santander therefore asked Ms R to return to branch with further documents which would allow them to correctly verify her.

However, Ms R didn't return to branch, and because the attempted transfer had been flagged by Santander's fraud prevention systems, her account was restricted by Santander until Ms R could verify her identity, which would allow Santander to remove the restriction.

During this time, Mr D tried to call Santander on his mother's behalf, but Santander wouldn't help him – even though he had Power of Attorney for Ms R and had supplied a copy of this to Santander. Mr D wasn't happy about this, so he raised a complaint on his mother's behalf.

Santander responded to Ms R's complaint and said they didn't feel they'd done anything wrong by restricting the account and by requesting further identity verification documents from Ms R. But Santander did accept that they had received a letter from Ms R which they appeared to have then lost. Santander apologised to Ms R for this and credited £75 to her account as compensation for any trouble or upset she may have incurred as a result. Mr D wasn't satisfied with Santander's response, so he referred Ms R's complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Santander had acted unfairly by restricting Ms R's account or requesting further documents from her. But they did feel that Santander should have provided clear instructions to Ms R of exactly what they needed from her. And that Santander should have cancelled the direct debits on Ms R's account in line with her instructions in the letter she sent Santander which they received, but then lost. Accordingly, our investigator recommended that this complaint be upheld in Ms R's favour and that Santander should pay a further £100 compensation to Ms R.

Santander accepted the view of this complaint put forward by our investigator, and they also agreed to reimburse a further £180.43 direct debit payments to Ms R. However, Ms 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.

I issued a provisional decision on this complaint on 13 May 2024 as follows:

*I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.*

*I also note that Mr D has provided several detailed submissions to this service regarding this complaint. I'd like to thank Mr D for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.*

*This means that if Mr D notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr D and Santander. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint. And I can also confirm that this service can only consider points of complaint that have already been referred to the respondent business and which that business has already had the opportunity to consider and formally respond to.*

*Santander have confirmed that the £2,000 transfer Ms R attempted to make to Mr D was flagged by their fraud prevention systems for further checks. Such systems are used by all financial institutions to flag 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.*

*It must be noted that banks such as Santander have an obligation to employ such systems in order 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.*

*Additionally, 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 it seems that this is what happened in this instance.*

*Santander's notes explain that when Ms R called them on 23 October 2023 to verify the payment that she was unsure about some of the details of the payment and that Ms R explained that she has issues with her memory.*

*Given that Ms R suffers with early onset dementia, this is understandable. But because of this, I feel that Santander were right to exercise caution and to feel that Ms R should be considered as being a vulnerable customer with a potentially increased risk of falling victim to a scam, and to have requested Ms R to have come into branch to verify the payment*

accordingly. And the fact that Ms R had two profiles, in her married and maiden names respectively, also meant that Ms R was reasonably be required to visit a Santander branch.

When Ms R visited a Santander branch the following day, on 24 October 2023, Santander's notes explain that they discussed the possibility of a scam with her. Santander's notes also explain that while the payment request and details had been received by Ms R on a text message thread that appeared to be between her and Mr D, that Santander asked Ms R to confirm with Mr D directly that the request and bank details were genuine and to then confirm that with Santander.

While I can appreciate from Ms R and Mr D's perspective that Santander's actions in this regard may appear to be overly cautious, I feel that it was reasonable for Santander to act as they did here. This is because of the sophisticated nature of modern banking scams, which can include the hijacking of telephone numbers, and also because Ms R was a vulnerable customer whose condition can potentially make her more likely to be targeted by scammers and also potentially more susceptible to falling victim to a scam.

Because of this, I feel that Santander were acting with Ms R's best interests in mind by blocking the transfer she wanted to make and by asking her to confirm the transfer with Mr D directly when she visited branch.

Santander also required Ms R to verify her identity so that her profiles could be correctly merged before they would remove the restrictions from her account. This seems reasonable to me, and I'm satisfied that it's for Santander to set their policy and process in this regard. And, because Ms R hadn't been able to verify her identity to Santander's satisfaction when she went into branch and had been asked to provide further documents, Santander wouldn't have been able to complete the transfer to Mr D on 24 October 2023.

I can appreciate why Santander would have been unwilling to accept identity documents from Ms R that remained in Ms R's married name – such as her passport – given that she'd been divorced for some time. But I feel that Santander could have provided a better standard of service to Ms R while she was in branch than what they apparently did here.

I say this because I note that Santander's note from Ms R's branch visit simply states that Ms R will have to come back with more documents to verify her identity and allow her profiles to be merged. But the previous note – from the telephone call the previous day – specifically explains that Ms R has memory issues and suggests that Santander's customer care note for memory issues be considered when interacting with Ms R.

As such, I feel that a more detailed discussion should have taken place regarding what documents Ms R had at home that could potentially be provided to Santander to satisfy their requirements. And I feel that Santander may have missed the opportunity to provide Ms R with the clarity of instruction she reasonably should have received here. And if it wasn't the case that Ms R had any further documents she could have provided, then an alternative solution should have been sought.

Furthermore, given that Santander were aware that Ms R had memory issues, I would have expected Santander's branch staff to have diarised a chase of the further documents they were requesting from her – to avoid the possibility that Ms R might forget to return with those documents, so that the restriction of her account might have been unnecessarily prolonged.

Notably however, Ms R wrote to Santander on 5 November 2023, including copies of several documents, including her divorce papers. And Ms R's letter also included a copy of the Power of Attorney held by Mr D and a request to close her Santander account on 1 February 2024. Santander received this letter – as a note dated 9 November 2023, which references

*the account closure request confirms – but subsequently appear to have lost the letter and its contents.*

*At this time, Mr D also began corresponding with Santander on his mother's behalf, referencing his holding Power of Attorney for Ms R. And when neither Ms R nor Mr D received any response from Santander to their respective letters, Mr D wrote to Santander again and raised a complaint on Ms R's behalf.*

*Importantly, Santander didn't accept the Power of Attorney document that had been sent to them and so didn't record Mr D as being an Attorney for Ms R. This was because Santander have a Power of Attorney registration process that they required be completed – but which Mr D hadn't completed by simply sending the Power of Attorney document to Santander.*

*Mr D, acting as a representative of Ms R, has expressed his dissatisfaction at this point, and he feels that there is no legal requirement for him to complete Santander's registration process and that the provision of the Power of Attorney document to Santander fulfils his legal obligation in this matter. But, as explained at the beginning of this section, this service isn't a Court of Law, which means that I can't make a decision as to whether Santander have or haven't acted legally in this regard. If Mr D wants a legal finding on this matter, he would need to obtain one from a Court of Law.*

*However, from a general fairness perspective, it doesn't seem unreasonable to me that Santander would have a Power of Attorney registration process that they would require Mr D to complete before registering him as an Attorney for Ms R. This first appears to have been explained to Ms R by Santander on 21 November 2023, when Santander issued their response to Mr R's complaint, and I note that it's clearly explained on Santander's website. And I feel that Mr D and Ms R could and reasonably should have mitigated against any delays in Mr D being registered as an Attorney, about which Ms R is now unhappy, by completing the Power of Attorney registration process that Santander required.*

*It must also be noted that while this service has corresponded exclusively with Mr D, in his role as Ms R's representative, that Ms R is the eligible complainant here. I highlight this point because the rules by which this service must abide – which can be found in the Dispute Resolution ("DISP") section of the FCA Handbook – include that I can only consider the impact of what has happened here on Ms R, and I can't consider any frustration or inconvenience that Mr D may have experienced while acting as Ms R's representative.*

*Furthermore, this service's remit is focussed on the outcome of events. And the outcome here is that Santander have recently closed Ms R's accounts, as per her request. This means that there isn't any corrective action that Santander need to take regarding the ongoing status of Ms R's accounts. And, as explained previously, Santander have already agreed to reimburse £184 to Ms R for direct debit payments that weren't cancelled when they reasonably should have been.*

*So, considering all the above, the question I must ask is whether Santander should be instructed to make any further payment to Ms R, as compensation for any upset or inconvenience she may have unfairly incurred here?*

*In response to this question, I confirm that I don't feel that Santander did act unfairly by flagging the attempted transfer to Mr D for further checks or by then asking Ms R to confirm the transfer with Mr D directly. And I also don't feel that Santander acted unfairly by not accepting the ID documents that Ms R brought into branch on 24 October 2023.*

*However, I do feel that Ms R should have been given clearer instructions on exactly what Santander required from her to enable her profiles to be merged and to then in turn allow the*

*restrictions on her account to be removed. And I also feel that Santander should have proactively contacted Ms R to chase this required further information, given their understanding of the memory issues Ms R has.*

*It's also clear that Ms R did provide instructions to Santander regarding the stopping of direct debits and standing orders, and the closing of accounts, when she wrote to them on 5 November 2023. And I feel that it's reasonable to conclude that Santander's losing that letter from Ms R led to a delay in her instructions being carried out. But I don't feel it was unreasonable for Santander to not respond to Mr D's correspondence, given that he hadn't registered his Power of Attorney with them to their requirements.*

*Mr D has provided a detailed explanation to this service of how he feels compensation for his mother should be assessed. But this service considers the impact of events that are felt to be unfair, in conjunction with a general framework for assessing compensation amounts – details of which are available on this service's website. And, considering the impact of what's happened in line with this approach, I feel that the £100 further compensation and the £184 reimbursement of direct debits already agreed by Santander does represent a fair outcome here. Accordingly, I'll be provisionally upholding this complaint on that basis.*

*Mr D has suggested that Santander didn't credit £75 to Ms R's account in November 2023 as they've said that they did. I therefore ask Santander to confirm this point within the 28 days given to them to respond to this provisional decision. And if Santander can't confirm the payment of £75 to Ms R in November 2023, then my instruction of compensation in my final decision will increase by £75 accordingly.*

*Finally, Mr D has explained that Ms R is dissatisfied with how Santander have handled her complaint. However, this service – the Financial Ombudsman Service – can only consider points of complaint about regulated financial matters. And how a business handles a complaint isn't itself a regulated financial matter, even when the complaint is about a regulated financial matter. Accordingly, while this service can consider the points about which Ms R has complained, as discussed above, we can't consider how Santander have handled the complaint that Ms R raised with them about those matters.*

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Mr D responded to my provisional decision and noted that the reason the £2,000 transfer was blocked was never explained. However, it wouldn't be expected that a bank such as Santander would explain exactly why a transfer had been flagged by their automated fraud prevention systems

This is because to allow information of that nature to enter the public domain would potentially allow for the deliberate circumnavigation of the flagging criteria used by the fraud prevention systems, which might then reduce the effectiveness of those systems. And I'm also satisfied that it's for Santander to exercise their judgement as to whether the block in question should or should not remain in place.

Mr D also reiterated his argument that Santander should have accepted the POA document he sent them without his having to complete their POA registration process. However, my position on this matter remains unchanged, and I continue to feel that it's fair and reasonable for Santander to require Mr D to register the POA with them in line with their process and requirements.

Mr D has asked why Santander haven't responded to a DSAR request he made on behalf of Ms R. Santander have confirmed that because Mr D hadn't formally registered the POA with them, as per their required process, he has no authority to request a DSAR. This seems

reasonable to me, and I again encourage Mr D to complete Santander's POA registration process if he wants to be able to submit a valid DSAR request to Santander.

Finally, Mr D questioned the amount of compensation I instructed Santander to pay. However, I can confirm that my position on this matter remains unchanged. One reason for this is because, as explained more thoroughly above, this service is unable to award any compensation regarding inconvenience or upset that Mr D may have experienced here, because he is not the eligible complainant.

Additionally, as also explained in my provisional decision letter, this service uses a general framework when assessing compensation amounts, details of which are on this service's website. And in consideration of this framework, as well as the impact of what happened on Ms R, I remain satisfied that £100 further compensation is a fair amount.

Finally, Santander have been able to demonstrate to my satisfaction that they have already paid the £75 compensation to Ms R that Mr D questioned. Details of this payment have been provided to Mr D by our investigator.

All of which means that I see no reason not to uphold this complaint in Ms R's favour on the basis as explained in my provisional decision letter above. And I therefore confirm that my final decision is that I do uphold this complaint on that basis accordingly.

### **Putting things right**

Santander must pay a further £100 compensation to Ms R.

If they haven't done so already, Santander must also reimburse the further £180.43 to Ms R relating to direct debit payments that they have previously offered to reimburse.

### **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 Ms R to accept or reject my decision before 10 July 2024.

Paul Cooper  
**Ombudsman**