

## The complaint

Mr M complains that Santander UK Plc (“Santander”) kept contacting him to provide information he’d previously provided. When trying to comply Mr M had trouble uploading the documents resulting in his account being blocked. Mr M doesn’t believe Santander has the right to ask for information on his external bank accounts and the source of his wealth and has concerns about the security of the information provided.

## What happened

Mr M lives abroad and held a joint bank account with another party and a sole account in his name with Santander. In August 2022 Santander contacted Mr M asking him to provide financial information. For security reasons, he didn’t feel comfortable answering the advisor’s questions, so a letter was sent to confirm the information request was legitimate. Santander’s notes record they made Mr M aware his accounts could potentially be restricted if the requested information wasn’t provided.

In September 2022 Mr M spoke with Santander and answered its questions relating to the funds held within his accounts and the source of these funds. Santander asked him to provide proof of identity documentation and was provided with a link to upload the requested documents.

As Santander hadn’t received the requested documents, it phoned Mr M on 31 October 2022 and sent him a link to upload the documents. As all the documents still hadn’t been received Santander blocked Mr M’s accounts on 14 November. Mr M spoke to Santander and was sent a further link to upload the outstanding documents and the restriction was lifted from his account the following day.

Mr M phoned Santander on 7 December as he was unable to use the document uploader. It was established that the difficulties they were experiencing was due to Mr M residing overseas and not having a UK post code needed to upload the documents. So, to resolve the matter Santander provided a UK post code to use and he was able to provide the documents requested.

On 3 January 2023 Santander blocked Mr M’s accounts for a second time saying it hadn’t received all of the requested information. Mr M complained and said all documents had been provided.

Santander acknowledged they’d received the information but had failed to review it and unblocked the accounts on 9 January 2023. Santander agreed that it hadn’t provided the level of service it should have when requesting information in relation to KYC and compensated Mr M and the joint party he held his joint account with £125 for the distress and inconvenience this caused.

Mr M was unsatisfied with Santander’s response to his complaints and so referred them to this service.

Mr M is unhappy that he lost interest on his sole account as a result of his joint account being closed – the subject of a separate complaint - resulting in him not being able to service the £500 payment in requirement to receive the interest.

One of our investigator's looked into Mr M concerns and although they had some sympathy for him they thought much of the distress and inconvenience suffered throughout the process was in relation to Mr M's other dealings with Santander in relation to his joint account.

They thought that Santander has a duty to ensure information it holds on its customers is correct as well as ensuring it knows the source of their wealth and of the funds that run through the account. And so they couldn't say it did anything wrong in requesting this information. Nor did they think it had done anything wrong in retaining the information provided or saw any evidence the personal information supplied hadn't been kept secure or handled correctly and that Santander had made any errors in this regard.

They didn't agree that Mr M had lost interest on his sole account as a result of an error made on Santander's behalf, but they did agree that Santander should compensate Mr M £75 for distress and inconvenience for the errors it had made during the process regarding his sole account, such as failing to correctly check its systems to locate information which had already been provided and providing a link that didn't work for uploading information.

Santander accepted our investigator's recommendations, but Mr M disagreed and asked for an ombudsman's 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.

Firstly, it should be noted that Mr M holds more than one account with Santander and this decision only relates to the actions Santander took on his sole account. Any complaint points surrounding his other accounts held will be dealt with under separate complaints as per the rules of this service.

I hope that Mr M won't take it as a discourtesy that I've condensed this complaint in the way that I have. The facts of this complaint are well known to both parties and so I don't see the merit in repeating them in more detail than what I have in the background above.

I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of this complaint is regarding the service received from Santander regarding the repeated requests for KYC information and its processes surrounding this.

As we are not the regulator, I don't have the power to tell Santander how it needs to run its business and I can't make Santander change its systems or processes – such as when it requires it to conduct due diligence checks or how they are carried out. This is simply not something I can get involved with. Nor can I say what procedures Santander needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place that trigger due diligence checks from time to time on customers in order to meet its regulatory requirements. I appreciate this did cause some inconvenience to Mr M as he held more than one account and lived abroad, but I'm sure Mr M understands this is needed not only to protect the banks against criminal activity, but also their customers.

I understand Mr M had some concerns regarding the authenticity of the call in August 2022 but given the need for a timely response and that Santander sent a letter confirming the request was legitimate following this, I don't think Santander acted unreasonably here.

Nor do I think Santander have been unreasonable in the information it asked for. I appreciate Mr M thinks some of the information and questions asked were intrusive or unnecessary, but as our investigator has explained businesses are required to hold certain information about their customers including their source of wealth and the funds that run through their accounts to satisfy itself that it is complying with regulatory obligations.

Mr M also has some concerns about the security of the information he supplied and how the information is handled. But Santander as well as it being under an obligation to request and retain this information, is also under an obligation to ensure that this is done in a secure way and I haven't seen any evidence Santander have made any mistakes in this regard. So, I can't say Santander has treated Mr M unfairly here or done anything wrong.

However, that is not to say it did everything right. I think most would accept sometimes one has to deal with personal administrative matters that crop up and there's no doubt this causes some inconvenience. On being notified that Santander needed Mr M to provide ID and other and information – he was understandably inconvenienced, but nevertheless duly tried to do what was asked but was unable to do so as Santander repeatedly sent him a link to upload the documents that couldn't work for him. And then when that issue got Santander failed to update its systems to show Mr M had complied with its request and review the information he'd provided which resulted in it wrongly blocking his account on 3 January 2023 for six days.

This caused Mr M some distress and inconvenience as he'd thought he'd done all that was required.

Santander has already accepted it made some errors in this regard and so I don't need to make a finding on this point. Rather what I need to decide is what Santander needs to do to put things right for Mr M regarding his sole account – the subject of this complaint.

My understanding is that Mr M has provided Santander with all the information required regarding his sole account and it is running with no restrictions. But I think Santander needs to compensate Mr M for the inconvenience he's suffered during this process as a result of Santander's errors.

Given the consequences of not providing the information Santander required – such as the account being blocked and or closed – I think Santander should've taken more care to ensure Mr M was fully informed about what was needed, was able to provide that information and that it checked it had this information before taking the sort of action that would undoubtably cause much distress and inconvenience.

Mr M had to spend more time than necessary having to sort this matter out through no fault of his own. And so I think Santander should compensate Mr M £75 for this.

Santander has already accepted this, but Mr M doesn't agree this is enough. He says he's lost out on interest as he hasn't been able to service his sole account with the £500 payment required to be entitled to the interest as the payment previously came from his joint account which has been closed. But ultimately, it was Mr M's decision to close his joint account and that this wasn't closed through any error of Santander's and so I can't say Mr M has lost out of interest due to Santander's errors.

So I think £75 compensation is fair bearing in mind that this compensation is in relation to

sole account complaint only and not in relation to his previously held joint account.

So it follows that I uphold this complaint and direct Santander to pay Mr M compensation of £75 for the distress and inconvenience caused by the poor service received in relation to Santander's KYC requests.

**My final decision**

For the reasons I've explained, I uphold Mr M's complaint against Santander UK Plc and direct it pay £75 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 October 2024.

Caroline Davies  
**Ombudsman**