

The complaint

Mr B and Mrs B are unhappy that Santander UK Plc closed their joint current account.

What happened

Mr B and Mrs B reside overseas but held a joint current account with Santander which they used to service a UK mortgage.

In November 2023, Santander attempted to gather information from Mr B and Mrs B to satisfy their Know Your Customer ("KYC") requirements. However, Mr B and Mrs B didn't provide the required information to Santander's satisfaction.

Because of this, Santander made the decision to close Mr B and Mrs B's joint current account. And Santander issued a letter to Mr B and Mrs B, giving them two months' notice that their joint account would be closed. Mr B and Mrs B weren't happy that Santander had decided to close their account, so they raised a complaint.

Santander responded to Mr B and Mrs B but didn't feel that they'd acted unreasonably by making the decision to close Mr B and Mrs B's account. Mr B and Mrs B weren't satisfied with Santander's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Santander had acted unfairly by choosing to close Mr B and Mrs B's account. But they noted that Santander had sent mail to Mr B and Mrs B's overseas address when Mr B and Mrs B had asked them to send it to their UK correspondence address, and they felt that Santander should pay £100 compensation to Mr B and Mrs B because of this.

Santander accepted the recommendation put forward by our investigator. However, Mr B and Mrs B 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.

Mr B and Mrs B have acknowledged that Santander were within their rights, as per Santander's terms and conditions, to close their current account with the provision of two months' notice.

But Mr B and Mrs B contend that just because Santander were within their rights to choose to close their account, that it doesn't necessarily follow that it was fair for them to do so. And Mr B and Mrs B note that Santander were aware that they reside overseas and that they needed the joint current account to service their UK mortgage. And they feel that given that Santander were closing their account for KYC reasons, they should have been aware that it would most likely be difficult for Mr B and Mrs B to open a replacement account, even with two months' notice.

I can appreciate Mr B and Mrs B's position here, to a degree. But it isn't Santander's fault that Mr B and Mrs B reside overseas. And Mr B and Mrs B's responsibility to comply with Santander's KYC requirements to Santander's satisfaction isn't reduced or diminished in any way because they don't live in the UK.

Ultimately, I'm satisfied that Mr B and Mrs B were given a fair and reasonable opportunity, comparable to that provided to other Santander account holders, to comply with Santander's KYC requirements to Santander's satisfaction, but didn't do so. And because of this, I don't feel that it was unfair for Santander to make the decision to be no longer willing to provide banking services to Mr B and Mrs B and to choose to close their joint current account with the provision of two months' notice, as permitted by Santander's terms and conditions.

Regarding Mr B and Mrs B's concerns that they would struggle to open a replacement current account, even with two months' notice, it must be noted that this service doesn't consider outcomes that may have occurred, but only those that did occur. In this instance, Mr B and Mrs B have confirmed that they were able to open a replacement joint current account so that they could continue to service their UK mortgage. This means that there was no issue with the continued servicing of their mortgage for me to consider.

Finally, regarding Santander sending letters to Mr B and Mrs B's overseas address after they'd been instructed by Mr B and Mrs B not to do so, I'm in agreement with our investigator that Santander should pay £100 compensation to Mr B and Mrs B because of this. When arriving at this position I've considered the impact of Santander sending mail to the incorrect address on Mr B and Mrs B, as well as the general framework this service uses when assessing compensation amounts, details of which are available on this service's website. And, having done so, I feel that £100 is a fair compensation amount.

All of which means that I don't feel that Santander have acted unfairly by closing Mr B and Mrs B's account as they did. And while I will be upholding this complaint in Mr B and Mrs B's favour, I'll only be doing so to instruct Santander to pay the £100 to Mr B and Mrs B that they've already agreed to pay.

I realise this won't be the outcome Mr B and Mrs B were wanting. But I hope they'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Santander must pay £100 to Mr B and Mrs B.

My final decision

My final decision is that I uphold this complaint against Santander UK Plc on the basis described above.

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

Paul Cooper
Ombudsman