

## **The complaint**

Mr F complains Santander UK Plc unfairly restricted his accounts, and then closed them without warning. Mr F says the poor service and communication he received had a detrimental impact on him.

## **What happened**

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr F held current accounts, an ISA account and credit card account with Santander. At the end of 2022 Santander contacted Mr F regarding his accounts and requested identification details. Following this it also asked for details regarding the source of funds in the account. During this period Mr F's accounts were blocked and following the provision of details by Mr F, these were removed in January 2023.

In June 2023 Santander reviewed Mr F's holdings again and during the review his accounts were blocked. Mr F says the block on his accounts had a significant impact as he was abroad and unable to access essential funds.

Mr F raised multiple complaints with Santander whilst it carried out its review. Mr F said the block was having a detrimental impact on him as he was unable to access essential funds for everyday expenses. Mr F also raised concerns about his credit card block, as he wished to return items that were purchased, but the block on the credit card account meant this couldn't be actioned. Mr F said the information he received from Santander during calls was inaccurate and the service he received was poor.

Santander reviewed Mr F's concerns and issued multiple final response letters between June 2023 and December 2023. Santander explained the review of the account was ongoing and it was unable to provide a timeframe for its completion. Santander acknowledged that the service Mr F received in relation to accessing benefits wasn't clear and it offered £40 in recognition of this issue.

Mr F's accounts with Santander were closed on 11 July 2023 with immediate effect. Mr F's ISA with Santander closed in early September 2023. Mr F's outstanding balance for Mr F's account were issued to Mr F as cheques. Santander's final response in December 2023 explained that it was able to close the accounts immediately under the terms and conditions of the accounts. It also explained that the correspondence it had sent Mr F regarding the outstanding credit card balance was necessary and in keeping with its legal obligations.

Unhappy with Santander's review Mr F referred the complaint to this service. An Investigator reviewed Mr F's complaint and made the following findings:

- Santander was fair to block Mr F's accounts and it didn't need to give reasons for this.
- The refunds on Mr F's credit card couldn't be made due to the blocks, but this isn't something Santander is liable for, and Mr F still owes the amount due on his credit

card.

- Mr F chose not to deposit the cheques for his account balances. Santander doesn't need to apply interest to these amounts.
- Mr F was able to access his benefit payments in early June 2023. No funds were available after this as they had been utilised.
- Santander should reissue the cheques to Mr F as he hasn't deposited them.
- Santander should pay Mr F an additional £60 in recognition of the poor communication provided to Mr F regarding accessing funds in his account.

Santander agreed with the recommendations made, but Mr F didn't accept them. Mr F said the view failed to recognise the immense stress that Santander had caused, and the ongoing issues he had with his credit card.

As no agreement could be reached, the complaint was referred to an ombudsman for a final decision.

I issued my provisional decision on 7 March 2025, and both parties had until 21 March 2025 to respond. Now the deadline has passed, I will issue my 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've included my provisional decision below.

*Firstly, I'm aware that I've only summarised Mr F's complaint points. No discourtesy is intended by this. I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I can assure Mr F that I have carefully considered his detailed submissions.*

*As a UK financial business, Santander is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as continuing to carry out due diligence checks on account holders, and there may be penalties if they don't. That sometimes means Santander needs to restrict, or in some cases go as far as closing, customers' accounts.*

*Santander has explained and given me information to show why it reviewed Mr F's accounts. Having carefully considered this, I'm satisfied Santander took these actions in line with the obligations it must adhere to. Our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses 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. However, I can assure Mr F the evidence provided demonstrates Santander met the requirements set out in the account terms for a review, as well as its legal and regulatory duties.*

*Mr F contacted Santander a number of times whilst his accounts were blocked. I understand the lack of access would've had a significant impact on him. However, as explained above I*

*find the review and block were necessary and appropriate given the evidence Santander held. Given the impact a review can have on a customer there is an expectation they are carried out promptly and without any undue delay. In Mr F's case I've reviewed the timeline of events, and the review began on 21 June 2023, and was concluded by early July 2023. I consider this a reasonable timeframe, and I can't see any instances of any undue delays.*

*Following its review of Mr F's account Santander made the decision to close the accounts with immediate effect. The terms of Mr F's account allow Santander to do this in specific circumstances, and I'm satisfied those terms have been met in Mr F's case. I know Mr F would like a detailed explanation as to why Santander took these actions. But Santander isn't under any obligation to provide this. The information I've received in confidence is detailed, and I can assure Mr F that upon reviewing it there are clear and persuasive reasons for Santander to take the action it did.*

*Mr F says Santander's decision to close the accounts caused significant distress and inconvenience. I do appreciate this matter would've caused Mr F difficulty as he held several accounts with Santander. On 3 July 2023 Santander wrote to Mr F to inform him the ISA account was closed with the full 60 days' notice on 3 September 20223. Given the balance was nil and the full notice period was provided I don't think this closure had a significant impact on Mr F.*

*Mr F's credit card block was a source of major concern for Mr F as he used the facility regularly. Mr F says during the period the account was blocked he was unable to refund items, and this had a detrimental impact on him as the outstanding balance is much higher than it ought to be. I've reviewed Mr F's purchase receipts and I do appreciate this matter would've caused Mr F additional concerns. Although Mr F may not have been able to receive a refund onto his Santander credit card Mr F could've explored other options with the merchants. I accept the block would've caused inconvenience for Mr F and he now has a significant credit card balance to clear, but I'm satisfied the block and review were necessary given Santander's obligations.*

*Mr F's outstanding balance at the time of the closure comprised of the purchases he says he wished to return and a range of other purchases. Mr F has had use and benefited from the funds used so I consider this to be a legitimate outstanding debt which Santander was entitled to pursue. I can see Mr F was sent multiple letters regarding the outstanding amount due and part of his complaint to Santander was this added to his distress during the card block. I appreciate this matter must've caused concern, but Santander was allowed to pursue the outstanding debt in this manner, especially once the account closed.*

*Santander has provided copies of the letters issued by its financial support team. These included details of the amount due and urged Mr F to contact it should he wish to discuss his options about repayment. Based on the information I've seen Mr F doesn't appear to have made a repayment towards the credit card balance since June 2023. Santander's letters to Mr F explain Mr F can contact it should he wish to make repayments, and Santander say this would've been possible even with the blocks in place. On 14 November 2023 Santander issued a notice of sums in arrears. Given the opportunities Mr F had to engage with Santander's financial support team, I think Santander acted fairly in pursuing the debt.*

*Santander issued Mr F with cheques for the outstanding balances on his account. Mr F didn't bank these cheques initially due to his ongoing concerns with Santander's handling of his accounts. Following the Investigator's recommendations Santander reissued one cheque for £1,020.42 directly to Mr F. However, Mr F said two cheques still needed to be issued. Santander subsequently confirmed it wouldn't be issuing Mr F with the cheques as the funds had been used to help reduce the balance on Mr F's outstanding credit card balance as this hadn't been cleared. Mr F says he never provided his permission for his funds to be used in*

*this manner. Given Mr F hadn't made repayments towards the debt since June 2023, I think Santander's decision to use these amounts to off-set his debt was reasonable.*

*I can see the Investigator found Santander's communication with Mr F could've been better. In its final response letter of 29 June 2023 Santander offered Mr F £40 for providing him with incorrect information about withdrawing funds from branch. Mr F made a trip to branch based on this incorrect information, and the Investigator recommended the offer of £40 be increased to £100. I agree that the communication from Santander should've been accurate and Mr F incurred inconvenience by making an unnecessary trip to branch. As part of this service's review of Mr F's complaint further information has been gathered to ascertain the reasons for closure. Based on the information I've seen I don't find awarding Mr F further financial compensation would be fair or appropriate.*

*So, I'm not requiring Santander increase its offer of compensation offer to Mr F for any inconvenience that he may have experienced because of Santander ending its banking relationship with Mr F, and the further dissatisfaction he experienced with the service he received. If Mr F wishes to accept the offer of £40 made by Santander initially, he is free to contact Santander directly about this for arrangements to be made for payment.*

*I know this will not be the outcome Mr F was hoping for, but I am satisfied Santander reasonably in taking action to discharge its regulatory obligations. I know Mr F will be disappointed with the decision I've reached, but I hope it provides some clarity around why I am not currently minded to award compensation to Mr F.*

As no responses were received to my provisional decision, I make no further comments or findings. My provisional decision remains the same.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 April 2025.

Chandni Green  
**Ombudsman**