

The complaint

Mrs R complains that Santander UK Plc ('Santander') closed her bank account and wants it to be reopened.

What happened

I issued a provisional decision in June this year where I said that I wasn't considering upholding this complaint. An extract from that decision follows:

"Mrs R had an account with Santander for a number of years. She says for most of those years she has lived outside of the UK, something Santander was aware of.

Mrs R said she mostly used internet banking and had her family's address in the UK as her correspondence address for convenience. Santander wrote to Mrs R in October 2022 asking for her to complete a self-certification form which included specifying where she resided for tax purposes. Mrs R said Santander insisted on this form being provided to it in a hard copy. She said she told Santander that postal services were unreliable where she lived and asked for alternative solutions. She said she was in communication with Santander over this period and despite this, Santander continued to write to her to say it hadn't heard from her. Ultimately, Mrs R sent scanned copies to the CEO's office in March 2023 and those were accepted as alternatives to the hard copy. Mrs R was told her records had been updated and she says she believed that the matter was resolved at that stage.

Mrs R said that despite being told her records had been updated, she continued to receive correspondence from Santander saying it was still waiting to hear from her. One of the letters also threatened to restrict access to her account.

In April 2023 Mrs R received new debit and cash cards from Santander which, she says, she hadn't requested.

Mrs R said that in May 2023 Santander once again told her that its records had been updated and that it had everything it needed. She again said she believed the matter had been resolved.

In September 2023 Mrs R got in touch with Santander to say that she had been locked out of her account and that funds she had been sent by family had been returned. She was then informed that Santander had decided to close her account in June 2023 and had given her 60 days to make other banking arrangements. She says Santander had written to her at her home address despite being told there was no reliable postal service. She was also informed that a cheque for the balance in her account was sent out in August 2023, again to her home address. Mrs R says she received neither of those letters.

Mrs R then asked Santander to stop the cheque and raised a complaint. She said she received extremely poor service and was treated like a potential money launderer. She asked for the cheque to be stopped and the money sent to another account. Santander got in touch to say it would arrange a transfer to another account but Mrs R said she wanted a full explanation about the decision to close her account first. She also decided to appeal to Santander's CEO.

Santander responded to the complaint but didn't uphold it. It said it decided to end its banking relationship with Mrs R on 7 June 2023 due to her residence status which falls outside its risk policy. It said this was also in line with its terms and conditions. It said it gave Mrs R 60 days' notice and closed the account on 8 August 2023 and returned her remaining funds by cheque. Santander said it wasn't able to share any more information with Mrs R about its decision.

Mrs R was separately informed that the CEO didn't have capacity to respond to her individual complaint but someone from their office would deal with the matter. Santander also said that its decision to close the account remained unchanged.

In her appeal to the CEO Mrs R asked specific questions about Santander's decision including what triggered the series of letters she was sent about her tax residency and what precise legislation Santander was relying on. Santander said that the trigger was Mrs R's change of address in September/October 2022 which changed to a non-UK address. It said it was relying on the Common Reporting Standard (CRS) which requires customers' tax residency in foreign jurisdictions to be identified and reported annually to tax authorities. It said the country she resides in committed to exchange information under the CRS since 2017. In terms of telling Mrs R that the matter was resolved in May 2023, Santander said that this meant that it did not require any further information from her at that time. It said it wouldn't have known what its next steps were going to be until the information was reviewed and apologised for the confusion. It also said there was no conflicting decision regarding the closure of the account. It added that the team that responds to complaints isn't involved in the account review.

In terms of the specific reason why the account was closed, Santander said that Mrs R's residence status falls outside its risk appetite. It said that under its terms and conditions Mrs R needs to be a UK resident so it took the decision to end its banking relationship with her. Santander said that correspondence was sent to Mrs R's home address which was her registered address rather than her previous address as that would have led to a breach of her personal data. It said it appreciated that letters can go missing and took on Mrs R's feedback. It said it would arrange for the funds to be transferred to another of Mrs R's accounts subject to Mrs R providing proof of ownership of the account.

Mrs R responded to Santander. She said she had no record of changing her address in September 2022 and that she assumed that some of the letters she had received about her residence status didn't apply to her. She also said she wasn't made previously aware that her information had been passed to tax authorities. She said her personal appeal to the CEO remained.

Mrs R then brought her complaint to us. She said that staff accountable to Santander's CEO said everything on her account was in order but this was overturned by an undisclosed person who decided her account should be closed. She said access to Santander's CEO who can resolve conflicting decisions has been refused.

Mrs R says that she used the account in order to receive gifts from her family who live in the UK and doing so meant that she wasn't incurring any fees. Now she is being charged a £25 fee per transaction. She added that Santander unfairly used the CRS to close her account in the knowledge that she couldn't make alternative arrangements. She said it didn't notify her that a further review of her account was being conducted after she'd been told that it had all the information it needed from her. She also said she received poor customer service from Santander and was subjected to a long period of protracted correspondence with its staff. She said Santander was aware that there were postal issues but still wrote to her at her home address and its staff unfairly refused to pass her appeal to the CEO. Mrs R added that Santander was not open and transparent with her and she wants her account reinstated.

One of our investigators reviewed the complaint but didn't think it should be upheld. She thought Santander was acting within its legal and regulatory obligations and in line with its terms and conditions when it closed the account.

Mrs R didn't agree and asked for an ombudsman's decision. She didn't think the investigator had fully understood her complaint. She also didn't think the investigator addressed her point about Santander telling her that it had all the information it needed in May 2023 or Santander's refusal to pass her complaint to its CEO. She added that Santander took no steps between October 2022 and March 2023 to advise her that her account would be closed due to her residency and it never made her aware of the fact that she had to be a UK resident in order to have an account with it. She also didn't understand why our investigator thought that sufficient notice had been provided bearing in mind the fact that she never received Santander's letters despite it knowing about issues she had with receiving post. And she didn't think Santander specified the risks associated with her account which was managed well for over 20 years.

Mrs R also provided a newspaper article about another client of Santander's whose account had been closed because of their country of residence. In that case the customer didn't provide all the information Santander had asked for so Mrs R felt her case was stronger because she had provided that information. And in that case Santander agreed to reopen the account.

The matter was then passed to me to decide.

What I've provisionally 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.

The parties have provided their evidence and arguments in support of their respective positions, and though I have considered these in full, in this decision I will be focusing on

what I consider to be the main issues. No discourtesy is meant by this. We aim to keep our decisions as concise as possible.

It's generally for banks and financial businesses to decide whether or not they want to provide, or continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed. As long as they reach their decisions in a legitimate manner, this service won't usually intervene.

It follows that, before Santander closes an account it must do so in a way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Santander could close Mrs R's account by giving at least two months' notice. I've seen the notice to close letter and Santander has also provided further evidence to show that the account was active during the notice period, so I'm satisfied it has complied with this part.

I've also considered the reason for the closure of the account and whether this was fair. Santander has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm.

Having reviewed all the evidence, including the information Santander provided in response to the investigator's view, I'm satisfied that it was acting in line with its legal and regulatory obligations when it decided to close the account by giving Mrs R two months' notice.

Furthermore, Santander is allowed to set its own policies which will also include its risk criteria. It's not my remit to say what policies or risk appetite Santander should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

Having looked at all the evidence and the terms and conditions I'm satisfied that Santander was acting fairly and reasonably when it closed the account. Santander's terms and conditions say that in order for someone to have an account with it they must be a UK resident. Santander said that Mrs R's residence status was beyond its risk appetite.

Santander has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial sensitivity. But I've seen nothing to suggest that Santander's decision around closing Mrs R's account was unfair or anything other than a legitimate exercise of its commercial discretion. Mrs R said that Santander didn't say what specific risks were related to her account bearing in mind that it was run without any issues for many years but I don't think Santander is under any obligation to provide such information and I think the reasoning it has provided is sufficient. It follows that I won't be asking it to reopen the account or to compensate Mrs R for this.

For completeness I will also say that Santander will review accounts to comply with its legal and regulatory responsibilities. Though Santander didn't do so on this occasion, it's common

practice for banks and other financial service providers to restrict access to accounts to conduct a review- doing so helps prevent potential financial loss or other harm that could otherwise result. As I said, Santander didn't block the account on this occasion, and I thought this was fair and reasonable. Santander is also under no obligation to warn its customers or tell them what triggers a review. So I don't think it's acted unfairly in not providing this information to Mrs R.

Mrs R said that she never received Santander's notice of closure letter or the one enclosing her cheque. So she couldn't agree with our investigator that she was given sufficient notice that the account was going to be closed. And she stressed that Santander was aware of the fact that post was unreliable where she lived. I understand that Mrs R kept her family's UK address as her correspondence address for many years as this was more convenient but when she provided details relating to her tax residency her address was updated to show her residential address. I don't think this was unreasonable. Santander said it would have breached Mrs R's privacy if it wrote to another address, other than her residential address and I think that is fair and reasonable. I appreciate Mrs R's post is unreliable but this isn't something that Santander is responsible for. As far as I can tell the letters were sent to the correct address and so Santander did enough to make sure they were received. Santander said it had taken Mrs R's feedback on board which I think is fair.

Mrs R said there is no prospect of her making alternative banking arrangements. If that is the case, then I don't think her not receiving the "notice to close" letter has impacted her in this regard. I appreciate Mrs R may not agree with this argument, but I think she is in the same position that she would have been in had she received the letter.

Mrs R's main point as I understand it is that her account shouldn't have been closed to begin with and that it was run well for many years and that it poses no risk to Santander. But for the reasons above, I don't think Santander's decision to close the account is unfair or unreasonable.

Mrs R said she received poor service from Santander. She said that despite assurances to the contrary Santander proceeded to review and close her account. I have considered Santander's correspondence. My impression from it was that it was saying that it had received all the information it required from Mrs R regarding her residence status. I am also conscious of the fact that the team that received Mrs R's forms wasn't necessarily the same team that reviewed that information or conducted the account review. I appreciate Mrs R felt that this was the end of the matter but as I said above banks can review accounts at any time in order to comply with legal and regulatory obligations. And, as I said above, they don't have to tell customers what triggers a review nor give any warnings. So I don't think Santander's actions were unfair or unreasonable.

Mrs R is also unhappy that her complaint was not escalated directly to Santander's CEO. I think this is something that is down to Santander and its internal policies and not something we would interfere with. But I think it is reasonable that someone from the CEO's office responded on their behalf.

Mrs R has provided a newspaper article about another customer of Santander's which she feels is relevant to her case. As Mrs R may be aware, we look at each complaint based on

its individual circumstances and for the reasons I gave already I think Santander's actions, in these particular circumstances, were fair and reasonable. Also this decision is solely about Mrs R's account so I can't comment about complaints raised by other customers here.

Overall, Mrs R clearly suffered distress and inconvenience when Santander closed her account. I appreciate it must have been a worrying and frustrating time for her. And I realise Mrs R will be disappointed with my provisional decision. But having looked at all the evidence and circumstances of this complaint, I don't intend to uphold it."

Both parties responded to my provisional decision. Mrs R made a number of points which I summarise below:

- Santander has known, though it denies this, that she has been residing abroad for 20 years. During this period there was no mention of a risk policy in relation to her residency being outside the UK.
- Santander alleges that she changed her address in September 2022 but hasn't provided evidence in support.
- In a recent ombudsman decision which involved similar circumstances the ombudsman decided in the consumer's favour in saying that the bank should have written to their correspondence address in the UK rather than their residential address abroad.
- She was given assurances that her information had been accepted and her account updated and that everything was in order. She doesn't accept that Santander's emails around March and May 2023 could be interpreted differently. What other explanation is there for her cash and debit cards being sent to her UK address?
- She doesn't accept she was given 60 days' notice of closure of her account as she was never informed of Santander's decision which was taken on 7 June 2023.
- She regards it unfair and unreasonable that her complaint was not brought to the personal attention of the CEO.

I went back to Santander for further information. I asked who had updated Mrs R's residential address in September 2022 and an explanation why it wrote to her at her non-UK address. Santander said Mrs R had changed her residential address herself online and provided a screenshot of its system. But it also said Mrs R's address was updated on 25 April 2023.

Our investigator also went back to Mrs R for more evidence. Mrs R said it was evident from the transactions on her account that she had been living abroad for a number of years and provided copies of transfers to her accounts from her family. Mrs R reiterated that she had no record of updating her country of residence in September 2022 and pointed out that Santander had been writing to her UK address until March 2023. She also provided a copy of Santander's letter of October 2022 where it asked her to provide further details regarding her tax residency by completing a self-certification form. Mrs R said this was the form that she was told had to be returned as a hard copy and which Santander finally accepted in electronic format in March 2023.

Santander was able to provide a copy of Mrs R's completed self-certification form which was signed in March 2023. The form shows Mrs R's non-UK address as her residential address. The box below which reads "correspondence address (please complete if different to above)" was not filled in. Our investigator provided Mrs R with a copy of this form for her record and said I would be proceeding with my decision. I allowed a further week or so before proceeding in the event there were further comments. No further comments were received from either party and I, therefore, decided to proceed with 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'd like to start by thanking both parties for their cooperation and for providing all the necessary information that we requested after I issued my provisional decision. It has been of great assistance.

I'd now like to address the points raised by the parties in their responses. I will be focusing on what I consider to be the main points and no discourtesy is meant by this. And where I already addressed certain points in my provisional decision, I will not be addressing the same points again here.

I appreciate there was some confusion regarding Mrs R's change of address. Santander said this was updated in September 2022 but it also said it was updated when Mrs R updated her tax status. It has now provided Mrs R's completed self-certification form which was, in fact, completed in March 2023. And it appears that Santander's system was updated in April 2023. I think the confusion was due to the fact that the information was initially requested in October 2022 but Santander didn't accept the electronic copy of the self-certification form until March 2023. Regardless of this, Santander has been consistent in saying that the change in address was made when Mrs R provided her tax details. It has now provided a copy of Mrs R's self-certification form which shows that her correspondence address was the same as her residential address i.e. her non-UK address. And this information was provided by Mrs R in March 2023. In my provisional decision I said that Mrs R's residential address was updated when she provided her tax details and it appears this was indeed the case when she completed the form.

Based on the evidence above, I think Santander was acting fairly and reasonably when it wrote to Mrs R's non-UK address after March 2023. I appreciate Mrs R may not have intended to change her residential address but Santander had no option but to act on the information she had provided it with. It follows that I think Santander did enough to ensure Mrs R received this letter and so I think it gave her 60 days' notice before closing her account.

Mrs R has provided a copy of another ombudsman's decision which she feels is similar to hers as it involves a consumer who lives abroad and who uses a UK address as their correspondence address. I should explain that our decisions don't set precedents and that we do consider each complaint on its individual merits. In any event I have considered that decision and though similar I don't think it impacts my decision here. I say this because, as I

said above, in Mrs R's case she updated her correspondence address to her non-UK address when she provided Santander with her self-certification form.

For completeness, I will say that Mrs R's debit and cash card appear to have been sent out before Santander updated her correspondence address on its system.

Mrs R has reiterated the point about Santander being aware of the fact that she has lived abroad for 20 years but not taking action until October 2022. I take Mrs R's point but I don't think Santander's actions have put her in a worse position and I say this because she was able to keep and use her account during that time. Also, banks' internal policies as well as their terms and conditions may change over time which means that accounts and customers may be impacted differently at different times. This isn't unusual or necessarily unfair and it's also not something we would look to interfere with.

The rest of my findings remain as they were in my provisional decision. My provisional findings along with any further comments here are now the findings of this, my final decision.

My final decision

For the reasons above I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 27 August 2024.

Anastasia Serdari
Ombudsman