

The complaint

Mr H and Ms L complain that Santander UK Plc unfairly blocked their joint account without providing a proper explanation. They say this caused them financial problems and want compensation.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr H and Ms L had a joint savings current account with Santander.

In December 2021, in order to comply with its legal and regulatory obligations Santander blocked Mr H and Ms L's account. This meant Mr H and Ms L were not able to access any money in the account. Santander removed the block from the account in April 2022. At the time, the balance of the account was just under £17,000.

Ms L complained to Santander about not being able to access the joint account and asked the bank for an explanation. She told Santander that she was entitled to the money in the account and that she'd opened the account when her children were very young. Ms L explained to Santander that she believed the bank's actions had something to do with her son, being arrested, but she said she hadn't done anything wrong and could prove that the money in the account had nothing to do with her son. So, she said Santander were wrong to block the account.

In response, Santander said it hadn't done anything wrong and wasn't obliged to provide Ms L with an explanation about why it had blocked the account.

Unhappy with this response Mr H and Ms L brought their complaint to our service where one of our investigator's looked into what had happened. After looking at all the evidence, the investigator said Santander had blocked Mr H and Ms L's account fairly. And had done so to comply with its legal and regulatory obligations. So, she didn't uphold the complaint.

Ms L disagreed. She said not being able to access the money in the account had made things exceedingly difficult for her to be able to provide for her family – especially over the Christmas period. She said she couldn't go shopping and had to borrow money to get by. So, she said Santander should pay compensation for the trouble and upset blocking the account had caused her and her family.

As no agreement could be reached the matter has come to me to decide.

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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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 that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr H and Ms L, but I'd like to reassure them that I have considered everything.

I appreciate that Ms L is upset that Santander blocked her joint account. I can also understand that this was no doubt stressful for her especially as the bank's actions made it difficult for her to manage financially. But for me to uphold this complaint, I must be satisfied that the bank has done something wrong. And in this case, I don't think it has. I'll explain why.

I've no doubt it would've come as quite a shock to Ms L, and she would've been very worried to find out that she couldn't access money and her account had been blocked. But as the investigator has already explained, Santander has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having reviewed all the evidence and circumstances of this case, I'm satisfied that Santander were acting in line with its legal and regulatory obligations when it blocked Ms L's and Mr H's joint account. So, I can't conclude Santander treated Ms L and Mr H unfairly.

I understand of course why Mr H and Ms L wants to know the exact reasons behind Santander's decision, other than what Ms L has been previously told. And I can see that Ms L has asked Santander to explain itself on several occasions. But Santander is under no obligation to tell Mr H and Ms L the reasons behind the account block as much as they'd like to know. So, I can't say it's done anything wrong by not giving Mr H and Ms L this information. And it wouldn't be appropriate for me to require it to do so now.

I know Ms L is also upset that Santander didn't forewarn her that the account would be blocked, but Santander isn't obliged to provide a customer notice of any intended block. So, whilst I appreciate Mr H and Ms L were caused inconvenience, I can't say Santander have done anything wrong by not letting her know that it was going to block the account before it block was put in place.

Mr H and Ms L has said that Santander kept the account blocked for too long and that she was constantly chasing Santander for updates about when the block would be lifted. I can see that the account was blocked for just under four months, which I appreciate is a long time. But I've also looked at the information Santander has provided to this service about what it was doing whilst the account was blocked which included completing administrative processes to comply with its regulatory obligations. I've also looked at the reasons Santander applied the block in the first place.

Having done so, I'm satisfied that Santander removed the block from the account as soon as they were able to do so. Therefore, I'm not persuaded that the block on the account was in place for any longer than necessary. And that there were any undue delays in removing the block. So, although I understand not having access to their account caused Ms L and Mr H trouble and upset it wouldn't be appropriate for me to award them compensation since I don't believe Santander acted inappropriately in taking the actions that it did when it blocked their account.

In summary, I realise Mr H and Ms L will be disappointed by my decision, but I won't be telling Santander to do anything to resolve Mr H and Ms L's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Ms L to accept or reject my decision before 27 November 2024.

Sharon Kerrison
Ombudsman