

The complaint

Mr H complains Santander UK Plc (“Santander”) asked him to provide onerous information about his account activity but later blocked his account and debit card despite sending it what was required. Mr H adds Santander has racially profiled him and so discriminated against him. Mr H also says Santander took these actions because of a challenging meeting he had in its branch and for complaining about it.

Mr H says Santander’s actions have caused him significant distress, embarrassment, and inconvenience.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

Mr H has a separate complaint about being discriminated against and receiving poor service in one of Santander’s branches. So this complaint will not form part of my decision here. Mr H has also complained about members of his family being discriminated against for their own account relationships with Santander. As these are not complaints for Mr H to raise, they won’t form part of my decision either.

Following an internal review, around February 2024, Santander asked Mr H to provide it with an explanation and supporting documentation related to his account activity. Mr H sent documents to Santander. Santander followed up on this through March 2024 by letter, in which it asked Mr H to contact it in relation to the information it still needed.

As Santander didn’t hear from Mr H, it blocked his account and debit card on 2 April 2024.

Mr H then spoke to Santander and explained he had previously sent it the information it requested, and he couldn’t understand why it needed a mortgage statement to prove he owned his property when he had sent land registry documents. Mr H was also asked to send in his entire tax self-assessment document, and his HMRC tax credit letter as one of the pages was missing. Mr H said he hadn’t sent this last page of the tax credit entitlement document as it was blank. Mr H says he was told the property ownership documents were fine, but he had to send in the tax related missing page.

Mr H says he was then contacted again to provide all the information he had previously discussed. But after an in-call review and referral he was told everything was okay, and the agent apologised.

Subsequently, Santander unrestricted the account in April 2024 following a days’ block.

Santander didn’t uphold Mr H’s complaint. In summary, it made the following key points in its responses:

- Santander’s customer outreach team didn’t contact him for information because of

what happened in branch, so it hasn't made a mistake. But it was asking for information as part of its "Know Your Customer" (KYC) responsibilities and obligations

- Santander doesn't agree its KYC exercise was initiated by a complaint Mr H logged or for racial profiling

Mr H referred his complaint to this service. One of our Investigator's looked into it, and they recommended it wasn't upheld. In summary, their key findings were:

- Santander is entitled to ask for information about account activity in line with its obligations which include KYC. Santander also acted fairly and reasonably when requiring Mr H to provide it with further information
- Mr H says Santander discriminated against him based on his race and did so because of racial profiling. But from what they've seen Santander acted fairly
- Santander blocked Mr H's account for one day as he had not responded to its three separate requests for further information and for him to make contact throughout March 2024. Santander's review and subsequent block for not getting the information it required was fair
- Mr H experienced some frustration when submitting information to Santander, and there was some confusion on the calls with it to do with what information was still required and why. This may have been inconvenient, but as the account was closed for one day, the resulting inconvenience is too slight to warrant any compensation

Mr H didn't agree with what our Investigator said. In short, his key points were:

- He had provided the information Santander wanted well within the timescales he was given but it still blocked his account without notice. And it was only when he spoke to Santander that the agent said it hadn't received everything it required
- But Mr H argued with the agent about the proof of property ownership documentation, and they checked and said everything about this was okay, but he had to send in the last page of his tax credit award. Santander failed to inform Mr H he had to do this previously after first sending the documents

As there's no agreement, Mr H's complaint has been passed to me to decide.

What I've decided – and why

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr H and Santander have said before reaching my decision.

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

Having done so, I have decided not to uphold this complaint. I'll explain why.

Banks in the UK, like Santander are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Santander has provided me with information to explain and evidence why it reviewed Mr H's account. Having carefully considered this, I'm satisfied it did so in line with its obligations.

It's worth noting that these obligations generally cover the entire period of its customer relationship – from application to eventually the end of the relationship. This includes KYC checks and/or Customer Due Diligence (CDD). It's worth noting these checks include not just the verification of a customer's identity, but also establishing the purpose and intended nature of the business relationship and origin of funds.

Mr H isn't happy that Santander asked him for the information it did and what he was required to send was onerous. But having looked at Santander's reasons for asking for the information it required, I'm satisfied that it acted in line with its obligations and did so proportionately.

After Mr H had initially sent Santander the information and documentation it asked of him, he says he didn't receive any correspondence or communication from it to make contact. But Santander has sent me internal notes and copies of letters it sent Mr H asking him to call about information it had requested throughout March 2024.

As Santander didn't hear from Mr H, and given the nature of its review and obligations, I'm persuaded it acted fairly when blocking the account. Mr H says that after calling Santander shortly after finding out, the agent agreed he had provided sufficient proof of property ownership and so didn't need to provide a mortgage statement. But he still needed to provide all pages of his tax document. So, further information was needed, and I think Santander acted reasonably and fairly in asking for it.

So though Santander didn't need further property ownership documentation, it still needed to block Mr H's account for the other information it needed. I'm also satisfied that Santander acted fairly by releasing the blocks after they'd been in place for a day.

Mr H isn't happy that he was called after the previous call by Santander and asked for the same information previously. I agree this would've caused him some distress, but given the block was removed and he was able to explain what had been agreed and this was accepted, I see no reason to award Mr H any compensation as the impact to him would've been negligible.

I can understand why Mr H found the account and debit card block distressing and embarrassing given he was out shopping with friends, but I don't find Santander did anything wrong here given it acted fairly in doing so. So I don't think Santander need to pay any compensation for the embarrassment Mr H says he suffered.

Mr H says Santander took the actions it did because of a complaint he made in branch. But I haven't seen any evidence of this. But as I've already said, Santander was fulfilling its regulatory obligations – and has shown it had cause enough to do so.

Discrimination

Mr H says he has been discriminated against based on his race and because Santander were racially profiling him. I'd like to assure Mr H that I've very carefully considered everything he's said about this. And I want to make clear I do not doubt how genuinely he feels about this matter and the upset Santander's actions have caused him.

While I appreciate this is Mr H's perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr H has said when deciding what I think is the fair and reasonable outcome.

Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Mr H was treated unfairly.

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 Mr H to accept or reject my decision before 6 December 2024.

Ketan Nagla
Ombudsman