

The complaint

Ms L complains that Santander UK Plc blocked her accounts without providing a proper explanation. Ms L says this caused her financial problems and she wants 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.

Ms L had a current account and savings accounts with Santander.

In December 2021, in order to comply with its legal and regulatory obligations Santander blocked Ms L's savings accounts. This meant Ms L wasn't able to access any money in the accounts. Santander blocked the accounts between 16 – 17 December 2021. And again between 20 and 22 December 2021.

Ms L complained to Santander about not being able to access the accounts and asked the bank for an explanation. She told 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 accounts was legitimate. So, she said Santander were wrong to block the accounts.

Ms L also said that when she contacted Santander, she was told to visit a branch to get more information about why her accounts had been blocked. But when she visited a branch, the staff wouldn't tell her anything, so she says this wasted her time.

In response, Santander said it hadn't done anything wrong when it had blocked Ms L's savings accounts and had blocked the accounts to comply with its legal and regulatory obligations. Santander accepted it shouldn't have asked Ms L to go to branch and that it could have provided the same information that she got in the branch over the phone when Ms L had called the bank. Santander paid Ms L £150 compensation to recognise any inconvenience visiting the branch had caused Ms L.

Unhappy with this response Ms L brought her complaint to our service. She said that Santander had blocked all her accounts which meant she received her DWP payments late. One of our investigators looked into what had happened. And asked Santander to clarify what accounts it had blocked. Santander confirmed that it hadn't blocked Ms L's current account and she'd been using the account whilst her savings accounts were blocked.

After looking at all the evidence, the investigator said Santander hadn't done anything wrong when it had blocked Ms L's savings accounts and had done so to comply with its regulatory obligations. She was satisfied that Ms L still had access to her current account. And that her DWP payments had credited Ms L's account. The investigator also thought the £150 compensation Santander had paid was fair. So, she said Santander had done enough to put things right. And didn't uphold the complaint.

Ms L disagreed. She maintained that Santander had blocked all her accounts. She said not being able to access the money in her accounts 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. And the block meant her DWP payments were late crediting her account. Ms L wants Santander to provide a proper explanation about why it blocked her accounts and pay compensation for the trouble and upset the blocks on the accounts 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 Ms L, but I'd like to reassure her that I have considered everything.

I appreciate that Ms L is upset that Santander blocked her accounts. 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 over the Christmas period. 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 accounts 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 accounts. So, I can't conclude Santander treated Ms L unfairly.

Ms L has said that Santander blocked all of her accounts – her current account and savings accounts. We've asked Santander about this and in response, Santander has provided Ms L's account activity. Having looked at this information I can see that Ms L was using her current account during the period that her savings accounts were blocked. So, I don't agree that Ms L wasn't able to use her current account. Based on the evidence, I've not seen that Ms L's current account was subject to any restrictions.

Ms L has said that because of the blocks to her savings accounts her DWP payments for December 2021, weren't credited to her account until January 2022. From looking at Ms L's account activity I can see that Ms L received several DWP payments every month into her savings account, which was blocked between 16 and 17 December 2021 and 20 – 22 December 2022. Due to the blocks no credits could be applied to the accounts, so Ms L didn't receive her December 2021 payments until January 2022 – after the blocks had been lifted.

Whilst I appreciate there was a delay in Ms L receiving her DWP payments it wouldn't be appropriate for me to award Ms L compensation for this as I'm satisfied that Santander didn't do anything wrong when it applied the blocks to the accounts.

I understand of course why Ms L wants to know the exact reasons behind Santander's decision to block her accounts, 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 Ms L the reasons behind the account blocks as much as she'd like to know. So, I can't say it's done anything wrong by not giving 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 her accounts would be blocked, but Santander isn't obliged to provide a customer notice of any intended block. So, whilst I appreciate Ms L was caused inconvenience, I can't say Santander have done anything wrong by not letting her know that it was going to block her accounts before the block was put in place.

Finally, I can see that Ms L is unhappy that Santander told her to go to a branch to find out what was happening with her accounts. Ms L says when she visited a branch the staff told her it couldn't give her any information, so she wasted her time and effort going to a branch. Santander accepted its service fell short here and that it could have given the same information to Ms L over the phone, which would have saved Ms L the trip to branch. Santander apologised and paid Ms L £150 compensation for the trouble and upset this had caused.

In my view, that offer was a fair one which would adequately compensate Ms L for the impact of Santander's poor service. I see no reason to increase this. Ultimately the block of an account will cause a certain level of inconvenience, but as the reasons for this block are legitimate and fair, I don't think it would be appropriate for more compensation to be awarded.

In summary, I realise Ms L will be disappointed by my decision, but I won't be telling Santander to do anything more to resolve 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 Ms L to accept or reject my decision before 27 November 2024.

Sharon Kerrison
Ombudsman