

## **The complaint**

Mr J is unhappy with how Santander UK Plc's 'know your customer' (KYC) team treated him.

## **What happened**

As both parties are familiar with the details of the complaint I will not repeat them in full here. In summary, Santander called Mr J multiple times over a number of months asking a number of personal questions as part of its KYC process. He was happy to provide the information, but the bank had around 13 different requests for information and made multiple calls asking for detailed information that at times he had already given, and on occasion about transactions that dated back to 2008. Even after Mr J complained and Santander paid compensation (which happened multiple times) the calls continued. Mr J is a vulnerable customer with physical and mental health issues. He felt these were not considered and he was hounded. He has fallen victim to a scam before which added to his stress and anxiety around the calls.

Santander said the issues were caused by poor communication and poor handling of Mr J's information outreach. It accepted this caused him significant and undue stress and it apologised. In the final response letter that led to this complaint to our service it paid Mr J £100 compensation. It had previously made two compensation payments of £150 and £50.

Our investigator upheld Mr J's complaint. She explained she had listened to calls between the parties from March 2024 until May 2024 as this was after the initial KYC case was previously closed and later reopened. She said Santander's notes confirmed it had all the information it needed in February 2024 and no further information was required. However, the calls after this date showed that Santander was repeatedly requesting information that Mr J had already provided. And this was despite several complaints being raised about the actions of the KYC team and the impact on Mr J. The bank's contact notes also show there were times when it did not adequately take into account Mr J's vulnerabilities - he had at one stage said the repeated information requests were driving him to feel suicidal.

She also considered how Mr J had responded to, and interacted with, the bank during this time. She noted he had never refused to provide any information or been difficult, he simply wanted to be able to provide what was required in a less stressful manner. And Santander did not suggest this could be done via a branch visit until 8 May 2024 – the initial KYC checks started in late 2023.

As a result she said Santander must pay Mr J a further £400 compensation to recognise the distress and inconvenience it caused. And it must ensure it has the right markers on his account to ensure he is better supported with his banking requirements going forward.

Santander agreed with these findings. Mr J disagreed and asked for an ombudsman's review. He said whilst the investigator summarised the dealings he had with Santander accurately, he does not think the level of compensation reflects the responsibility a large, regulated bank like Santander should have when dealing with highly vulnerable customers.

## **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 have also taken into account the law, regulator's rules, relevant codes of practice and what was good industry practice at the time.

I want to reassure Mr J that I have listened to the call recordings supplied and considered all his submissions carefully. In keeping with our role as an informal dispute resolution service – and as our rules allow – I will comment here on the issues that are material to the outcome of his complaint, and in particular what remains in dispute.

I am upholding Mr J's complaint. However, I am not awarding an increase in compensation. I'll explain why.

It is not in dispute that Santander's KYC team failed to adjust its approach to collecting the information it needed from Mr J, despite being aware it was causing him ongoing distress.

Whilst I accept the bank has a regulatory requirement to collect certain information on an ongoing basis, it also needs to do so in an efficient and reasonable way, particularly if it is aware a customer has vulnerabilities. It failed to do so in this case. It has accepted this and apologised for the avoidable stress caused.

What remains in dispute is the appropriate level of compensation. It might help to give some context around the awards we make. Our role is to decide a level of compensation that fairly reflects the impact of the firm's error(s) on the complainant. Mr J referenced the responsibility a large, regulated bank should have when dealing with highly vulnerable customers. But I can only consider the individual merits of this complaint here. We do not have the powers to penalise or fine firms, or to take into account its broader conduct. That is the role of the regulator, the Financial Conduct Authority.

Here, I find a payment of £400 in addition to the £300 already paid to be fair. To reach this conclusion I have considered the time the issue went on for and how Mr J has told us it impacted him, leaving him emotionally drained, feeling hounded and at times suicidal. Based on our guidelines for awards, I would categorise this case as one where the impact of the bank's mistake has caused considerable distress, upset and worry – and significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months. The total payment of £700 is at the upper end of the range for this type of complaint to take into account that Mr J's vulnerabilities means the impact on him was more severe.

## **Putting things right**

Santander must pay Mr J a further £400 compensation. It must also ensure its records are up-to-date with the necessary markers that will mean Mr J is better supported with his banking needs going forward.

## **My final decision**

I am upholding Mr J's complaint, Santander UK Plc must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 31 October 2024.

Rebecca Connelley  
**Ombudsman**