

## **The complaint**

Mr K complains Santander UK Plc unfairly closed his account and provided him with poor service.

## **What happened**

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

Mr K opened a Santander account in 2022 and following a review of account activity Santander made the decision to close Mr K's account. A notice to close letter was issued on 31 March 2023, explaining the account would be blocked with immediate effect and entirely closed in 30 days.

Mr K raised a complaint about the closure, explaining Santander hadn't provided notice of the block and subsequent closure. Mr K explained he hasn't committed any criminal activity and the closure was because of the cost to Santander as there were on going disputes. Mr K also complained about poor service, as he was informed he needed to attend branch to withdraw funds but when he attended branch his request was denied.

Santander reviewed the complaint and explained given the account activity it was appropriate for it to suspend the account, given its legal and regulatory obligations. It acknowledged the service provided wasn't always at the right standard, and Mr K should've been given clearer information. Santander offered £50 to Mr K in recognition of the inconvenience caused.

Unhappy with the response provided, Mr K referred the complaint to our service. An Investigator looked into Mr K's concerns and upheld his complaint, explaining the following:

- Santander acted fairly in blocking and closing the account to ensure it could comply with its regulatory duties.
- The terms of Mr K's account allow Santander to block and close the account without prior notice. Santander doesn't need to provide specific reasons for its decision.
- The service provided to Mr K was poor, and this resulted in an unnecessary trip to branch for Mr K. Santander should pay Mr K an additional £50 for the inconvenience caused.

Mr K accepted the recommendations. Santander disagreed, explaining the £50 already offered was adequate and the additional £50 wasn't fair. Mr K would've been able to access salary or benefits, but he wouldn't be able to access other funds until proof of entitlement had been established.

As no agreement could be reached, the complaint has been referred to me – an ombudsman – for a final decision. I issued my provisional decision on 6 September 2024 and both parties had until 20 September 2024 to provide final submissions. The response deadline has passed so I will issue 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've included my provisional decision below.

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Mr K and his representative have made several detailed points about his complaint which I have only summarised above. But I'd like to reassure Mr K that I have read and considered his correspondence in full. And I hope the fact that I do not respond in a similar detail here will not be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances as a whole.*

*I'll start by setting out some context for the review of Mr K's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. In Mr K's case there had been recent account activity which prompted a full review of the account. I'm satisfied Santander was complying with these obligations when they reviewed Mr K's account.*

*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 K, but I'd like to reassure him that I have considered everything he and Santander have said before reaching my decision.*

*Based on the information disclosed by Santander I'm satisfied it acted fairly by blocking Mr K's account. Mr K says Santander contacted him by phone but didn't leave a voicemail about the account block. I think Santander attempting to contact Mr K was sufficient in the circumstances as ultimately Santander had no obligation to tell him the basis of its concern or forewarn him of its intention.*

*Santander's review of Mr K's account led to its ultimate decision to close the account. Santander is entitled to set their own policies and part of that will form their risk criteria. It is not in 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. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.*

*The terms and conditions of Mr K's account set out that the bank can close the account by providing Mr K with 60 days' notice. In certain circumstances, it can also close the account immediately. In this case Santander blocked Mr K's account, so I consider this to be akin to an immediate closure. For Santander to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that Santander has provided, I'm satisfied that Santander did.*

*I understand Mr K wants Santander to explain the reason it closed his account. But Santander is under no obligation to tell Mr K the reasons it no longer wants him as a customer as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr K this information. And it wouldn't be appropriate for me to require it do so.*

*A key issue for Mr K is that he attended branch to withdraw funds and his request was denied. Mr K had to travel some way to visit branch and this trip would not have been had he received clear information. I have carefully considered Mr K's and Santander's position on this point. I appreciate Mr K made the trip, only to be informed in branch that the funds could not be released. Santander has confirmed Mr K could access wages and benefits, but as these funds were neither, it couldn't release them. Further Santander explained that its checks hadn't been completed, so it needed to establish proof of entitlement before any funds could be released.*

*Having considered the reasons for closure and account activity, I am inclined to agree that Santander has acted reasonably here. Mr K should've been told that he could not access the funds, and Santander accepts this and has offered £50 for the inconvenience caused. I currently 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 compensation to be awarded.*

*On balance when considering Santander wider regulatory responsibilities and all the information available to me, I find Santander had a legitimate basis for blocking and closing Mr K's account. So, I don't find Santander treated Mr K unfairly and it doesn't need to award Mr K any further compensation.*

### ***My provisional decision***

*I am currently minded to not uphold this complaint.*

### **Responses to the provisional decision**

Santander didn't respond to the provisional decision. Mr K replied with detailed submissions. I will deal with the key points raised by Mr K in turn.

Mr K explains he made a data subject access request (DSAR) to Santander due to his complaint. Santander provided its response to this DSAR directly to Mr K. As part of our review of Mr K's complaint information has been received from Santander to assist with our investigation. Mr K says this service shouldn't be entitled to receive information which has not been provided to him in the DSAR and it shouldn't form part of our review of the complaint.

I've thought carefully about Mr K's comments. I don't agree that the information this service has received from Santander has to be information Mr K has had access to under the DSAR. The purpose of the DSAR made by Mr K is in my view entirely separate and unrelated to the information this service can access to carry its role in settling financial disputes. Mr K's DSAR made to Santander is in relation to personal information it holds about him, and whilst this may encompass complaint related information, it does not solely focus on this. I must also highlight that if Mr K is unhappy with the information he has received as under the DSAR he made with Santander then this isn't an issue this service can review. The Information Commissioners Office is best suited to look into any concerns he has around the content of the DSAR and whether Santander has complied with its obligations with regards to data.

Mr K says the provisional decision fails to address Santander's failures when he attended branch. Mr K explains the decision is incorrect as he was never told wages and benefits could be accessed when he went to branch. Mr K says he wasn't told any further checks would be necessary when he attended branch – instead he was assured the block could be lifted. Mr K says Santander didn't communicate with him clearly about what he was able to do during his visit.

The provisional decision explains that the only funds that could be accessed were wages and benefits. However, as Santander was reviewing the account and it wasn't clear if the funds were either of these, Mr K was unable to make the withdrawal. I agree that Santander should've been clearer about what was and wasn't possible at this stage given the account was subject to a review. I think the £50 offered to Mr K recognises this shortcoming and although I've carefully considered his additional points, I am not persuaded Santander's offer of compensation ought to be increased.

Mr K's response also explains that he does not wish to know the reason for the closure, and the inclusion of this point in the provisional decision is incorrect. I must clarify that this point was included as Santander closed Mr K's account without notice and one of Mr K's complaint points was that it should've provided him with notice. My intention is to highlight that based on the evidence received, I am satisfied an immediate block was fair and the notice period of 60 days didn't need to be adhered to in the circumstances, and the reason for this didn't need to be disclosed.

I know this will not be the outcome Mr K was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Santander to pay any further compensation.

### **My final decision**

Santander UK Plc has already paid fair compensation in the circumstances of this complaint. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 1 November 2024.

Chandni Green  
**Ombudsman**