

The complaint

Mrs E complains Santander UK Plc unfairly restricted and then closed her account.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mrs E was in the process of purchasing a property and wanted to use funds within her Santander account to finalise the purchase. In November 2023 Mrs E's account was reviewed and blocked. Santander's review was completed in May 2024, and it issued Mrs E with a notice to close letter. This explained that it would be closing Mrs E's account with immediate effect.

Mrs E raised a formal complaint with Santander about its restriction of her account and the significant impact it had on her. Santander explained it wasn't able to share further details about the review with Mrs E and that it would update her when possible.

Unhappy with this response Mrs E referred her complaint to this service. An Investigator reviewed the complaint, and in summary, made the following findings:

- Santander had acted in line with its regulatory and legal duties by blocking and then closing Mrs E's account.
- Santander didn't cause unnecessary delays when it carried out its review.
- Although the block and closure would've caused Mrs E distress and inconvenience. Santander was acted fairly so it didn't need to do anything to put things right.

Mrs E remained unhappy and maintained Santander had acted unfairly. The case has been referred to me – an ombudsman – for a 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.

Firstly, I am sorry to see Mrs E has had cause for complaint and the impact the account block and closure has had on her, especially in light of her comments about the property purchase falling through and the stress this matter has caused her. Having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.

As a UK financial business, Santander is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Santander needs to restrict, or in some cases go as far as closing, customers' accounts.

I know Mrs E would like more details from Santander around why it took these actions. But Santander isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' 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 to me is information we consider should be kept confidential.

Having carefully considered this information, I'm satisfied Santander took these actions in line with the obligations it must adhere to. In addition, Santander is entitled to close an account just as a customer may close an account with it. But before Santander closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of Mrs E's account allow for immediate closure in specific circumstances. In Mrs E's case I'm satisfied the requirements for immediate closure have been met. Mrs E says she was a long-standing Santander customer with an account with it since 2008. However, the fact Mrs E is a long-standing customer isn't a factor Santander can be reasonably expected to take into consideration when deciding to close an account. It's regulatory duties and terms of the account are the overriding considerations.

Mrs E has provided details of the impact the account block had on her. She says Santander didn't treat her like a person with individual circumstances, and it didn't listen to the information she wished to share. I appreciate the block caused Mrs E a significant amount of distress and inconvenience. Restricting an account can have serious consequences, and it's not a decision a business should take lightly. In Mrs E's case I'm satisfied Santander's decision to restrict Mrs E's account for as long as it did was reasonable given the information it's shared with this service.

Mrs E has made detailed comments about the poor communication she received from Santander. Mrs E says that if she had been asked specific information from the outset, the entire block and closure could've been avoided. I can't say for certain what conversations took place between Mrs E and Santander branch staff. I appreciate Mrs E's comments about the lack of information and clear communication, but account reviews are carried out centrally by banks and I wouldn't necessarily expect branch staff to directly be in a position to gather information from Mrs E. If Santander required additional information, it would've contacted Mrs E about this. In addition, Santander isn't obliged to share details of its review with Mrs E or provide detailed updates. As frustrating as this would've been for Mrs E, I can't say Santander has acted unreasonably.

As part of Mrs E's complaint, she has referenced the involvement of the police and a court order. I'm unable to comment on these aspects in detail as this complaint focuses on whether Santander treated Mrs E fairly. I must highlight that Santander was acting in line with its legal and regulatory duties, and although Mrs E says she has been cleared of any wrong-doing, Santander's review was based on the available evidence it had at the time it blocked and reviewed Mrs E's account. I don't think it would be reasonable for it to have acted any differently based on subsequent information.

I know this will not be the outcome Mrs E was hoping for and I know Mrs E will be disappointed with the decision I've reached. I hope it provides some clarity around why I won't be asking Santander to take any further action to compensate Mrs E.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or

reject my decision before 8 January 2025.

Chandni Green
Ombudsman