

The complaint

Miss M complains that Santander UK Plc unfairly blocked and closed her account without providing a proper explanation. She is also unhappy that Santander didn't offer her support.

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.

Miss M had a personal current account with Santander.

In July 2024, Santander reviewed Miss M's account to comply with its legal and regulatory obligations. Whilst it completed its review Santander blocked Miss M's access to her account, which meant she was unable to use the account. At the time the balance of her account was just over £26. Santander blocked Miss M's account between 3 and 9 July 2024.

Miss M discovered her account had been blocked when she wasn't able to use her bank card whilst out shopping. She contacted Santander to try and find out what was happening with her account. Santander wouldn't give Miss M much information but let her know that it was reviewing her account. And that her account had been frozen whilst the bank completed its review.

Unhappy with this response, Miss M made several calls to Santander seeking an explanation for the block on her account. And trying to find out how and when she could access her account. During the calls she told Santander that the block on her account was preventing her from providing for her children, putting petrol in her car to get to work, and paying for utilities at her home. Miss M told Santander that their actions were making life very challenging for her because she had no money and had caused her to have suicidal thoughts. Overall, she said Santander had shown no regard for her situation, offered no support, and left her destitute.

Santander apologised for any trouble and upset the block had caused. And prioritised its review of the account. Santander contacted its internal financial support team who help customers in difficult financial situations. They advised that due to Miss M's account being reviewed, it couldn't provide much support, and pointed her to contact external agencies including social welfare services, foodbanks, the benefits agency and local council.

Following this on 9 July 2024, Santander decided to close Miss M's account immediately and sent her a letter saying she'd need to make alternative banking arrangements. Santander enclosed a cheque for Miss M's closing balance.

Miss M complained to Santander. In response, Santander said it hadn't done anything wrong.

Miss M remained unhappy and brought her complaint to our service where one of our investigators looked into what had happened. Miss M told the investigator that because she hadn't had access to the funds in her account, she was left destitute and was unable to

provide for her children. She also said Santander treated her terribly which caused her a great deal of stress and anxiety. To put things right she wants Santander to pay her compensation and give her an explanation for why it blocked her account.

After looking at all the evidence the investigator didn't uphold Miss M's complaint. In summary she said Santander had been complying with its legal and regulatory obligations when it had blocked Miss M's account. The investigator didn't think Santander had treated Miss M unfairly when it had closed her account and didn't provide her with an explanation. She also said that Santander had contacted its support team, but they weren't able to help. So she thought they had done enough to try and help Miss M whilst it reviewed her account.

Miss M disagreed and asked for an Ombudsman to review her complaint. So, 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 Miss M, but I'd like to reassure her that I have considered everything.

Santander has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. This sometimes leads to payment instructions being declined, accounts being closed, and funds in accounts being withheld from account holders. The terms and conditions of Miss M's account also make provision for this.

With this all in mind, I've considered the basis for Santander's decision to block and withhold the funds in Miss M's account. Having looked at all the evidence and circumstances of this complaint, which includes considering the information Santander has shared with this service in confidence, I'm satisfied that Santander have acted in line with their legal and regulatory obligations when it blocked Miss M's account and didn't allow her access to the money in it. So, whilst I accept this caused Miss M trouble and upset, I can't say Santander have treated Miss M unfairly when it blocked her account.

Miss M says Santander refused to tell her anything about what was happening with her account and why it had blocked the account. I understand of course why Miss M wants to know the exact reasons behind Santander's decision, other than what she's been previously told. And I can see from looking at Santander's contact notes and listening to the phone calls Miss M had with Santander, that Miss M asked Santander to explain itself on several occasions. But Santander doesn't disclose to its customers what triggers a block of their accounts. And it's under no obligation to tell Miss M the reasons behind the blocking of her account as much as she'd like to know. So, I can't say it's done anything wrong by not giving Miss M this information. And it wouldn't be appropriate for me to require it to do so now.

Miss M has also told us that Santander didn't offer her any support whilst her account was blocked. During the calls Miss M made to Santander, she told Santander that she didn't have

any money and couldn't provide food for her children. She also said because of the block she couldn't pay for everyday essentials such as gas, electricity, and petrol.

I've taken the time to consider the contents of the calls and evidence available to me. Having done so I appreciate Miss M made a number of phone calls and spent a considerable amount of time on the phone, so, I can understand Miss M's frustration and concerns about having no access to her account. However, I note that Santander explained to her that due to the type of account review it was completing it was unable to allow Miss M access to the money in her account. I've already concluded that Santander didn't do anything wrong when it blocked Miss M's account, so I don't find this response unreasonable.

I note too that Santander contacted its internal financial support team and they pointed Miss M to external support agencies including the benefits agency, and social welfare services. I think the support Santander spoke about is reasonable. And that it was fair of the bank to suggest this. In response, to Miss M's explanation about how its actions were impacting her, Santander also told Miss M that it would do its best to complete its review as quickly as possible.

Having looked at what Santander were doing I'm satisfied that this is what happened and that there were no undue delays. Overall, I'm satisfied that Santander offered the support it could, reacted to what Miss M was telling them and demonstrated that it had an understanding of Miss M's circumstances and how the block was impacting her. I know Miss M would like me to do more, but having carefully thought about everything I've seen, and given the circumstances that led Santander to review Miss M's account, I won't be asking Santander to do anything more to resolve this aspect of Miss M's complaint.

I've next gone on to consider whether Santander acted fairly when it closed Miss M's account. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

In doing so, I appreciate that 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. 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.

Santander have relied on the terms and conditions when closing Miss M's account. I've reviewed the terms and they explain that Santander can close an account for any reason by giving two months' notice. In certain circumstances, Santander could also close the account without notice, which is what happened here.

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 the bank has provided, including the information Santander has provided to this service in confidence, I'm satisfied that Santander did. And that it was entitled to close the account as it's already done. So, it would not be appropriate for me to ask Santander to pay Miss M compensation since I don't find Santander acted inappropriately when it closed her account without notice.

In summary, I appreciate Miss M feels strongly about her complaint and I am sorry to have to disappoint Miss M on this occasion. I hope she understands the reasons for my decision and

at least feels she has been listened to. But I won't be asking Santander to anything more to resolve her 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 to accept or reject my decision before 10 December 2024.

Sharon Kerrison
Ombudsman