

## **The complaint**

Mr G complains that Santander UK Plc has unreasonably threatened to make two savings accounts of which he is a trustee dormant. And that it has unreasonably requested ID documentation in respect of his two children (as the beneficiaries). Further that it discriminated against him in respect of the information he was asked to supply.

## **What happened**

Santander wrote to Mr G explaining that his two savings accounts would be made dormant on 20 September 2023 unless he paid in or withdrew money from the accounts before this date. Following communications with him about it, it wrote to him on 6 September 2023, to explain that it understood he may be unhappy or unable to make a transaction on either of his accounts or visit their branch. It provided Mr G with the option of providing it with updated evidence of his address and identity via email or post instead. Mr G replied that he believed that Santander had not followed the principle of UK finance's "ten pledges" about dormant accounts which it had advised him it about. He explained he had complied with "pledge 2" of the ten pledges, as he'd informed Santander, he wanted his accounts to remain active.

Mr G complained that Santander refused to make the account active without requiring further ID, and that it had given a "rude" and "abrupt" response to his request that its CEO review his complaint. He said his complaint to its CEO was not responded to and further that it had discriminated against him by not taking account of his health restrictions.

On referral to the Financial Ombudsman Service our Investigator initially said that Santander was entitled to use its own processes for reviewing dormant accounts which although having said it followed the ten pledges, this was in conflict with them. Nevertheless Mr G should have been able to make a transaction on the account without having to visit a branch. He proposed that Santander pay Mr G £50 compensation. This was on the basis that the accounts were not at risk of being made dormant.

However following receipt of our Investigator's view, Santander informed us that the accounts were in fact child saver accounts where Mr G was trustee of both accounts. His children are now over 18 and the accounts were changed to flex saver accounts when this happened. It appears that Santander regards Mr G as still being a trustee of both accounts so it does require further ID information. I understand that it will accept a letter from the job centre with Mr G's full name, although Mr G said he was unable to provide this instead providing a letter setting out his entitlement to housing benefit. Santander says this isn't acceptable identification of his name but as an exception in Mr G's case it will accept the said jobcentre letter but it must show Mr G's full name (and National Insurance number).

Santander has also said that as Mr G's children are beneficiaries of the accounts and are still registered with it as children, it requires up-to-date ID information from them. Mr G is unhappy about this as he's not presently in contact with his children and would not want them to know about the existence of the savings accounts.

Our Investigator issued a further view. In it he said that Santander should pay a further £150 compensation in respect of causing further delays by not informing us of the trustee status of

the accounts and of the requirement that to keep the account from being made dormant it required ID evidence from Mr G's children. However he said that Santander had reasonably requested up to date ID information concerning Mr G's children.

Mr G accepted our Investigators view, save for that concerning his children's ID. He has provided us with legal arguments as to why he should not be required to produce any further ID information for his children. Santander nevertheless said that the accounts, although opened in trust are still held in the children's names as account owners and any funds held within it belong to the children hence the need to identify them. The trustee has the ability to transact on their behalf, but the beneficiaries are customers with their own profiles.

Our Investigator said that Santander's position was reasonable. Mr G did not agree, and the matter has been passed to me for an Ombudsman's consideration.

I issued a provisional decision. Essentially I agreed with our Investigator's findings. However as Santander had continued to take issue with Mr G's ID, I thought the matter needed clarifying.

Santander has confirmed that it will agree to accept a Job Centre letter, provided that it contains Mr G's full name and National Insurance number.

Mr G disputed my findings. He said:

- Santander has not followed the pledges about dormant accounts and continues to breach them.
- In view of his continuous use of his online accounts and his contact with Santander, he believes there is no necessity or requirement whatsoever for him to further identify himself to Santander.
- He believes the accounts are ordinary trust accounts. They were opened as "Instant Saver" accounts and continue to be referred to as such.
- He was not told of the conversion of the accounts in 2015.
- He disputes that no transactions have been carried out on the accounts since 2003.
- He has no knowledge of the current whereabouts of his children.
- He believes he will be in breach of his duties as a trustee if he allows the accounts to be made dormant.

### **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.

The following were my provisional findings:

*"This service acts as an alternative dispute resolution service. Our function is to try to resolve complaints informally. So in line with the informal nature of this service I will not be going through Mr G's legal arguments on a point by point basis. Whilst I can and do take the law into account my overriding consideration is to decide what is fair and reasonable in the circumstances of the complaint."*

#### *acceptance of ID*

*I agree that Santander was unclear initially about the requirements of keeping the accounts active. Specifically it gave misleading advice concerning whether it had complied with the "ten pledges" or, as in this case it also had its additional requirements. For this our Investigator proposed that Santander pay £50 compensation which I think is reasonable.*

#### *reasonable adjustments*

*I am satisfied that Santander took into account that Mr G would have problems in visiting a branch. It did however invite him, if he was unable to attend a branch, to call it. Santander also agreed Mr G could email or post in his ID/address documentation. I am satisfied therefore that it did make reasonable adjustments in this respect.*

#### *further ID and information about trust accounts*

*As I've set out above Santander didn't disclose that the accounts were trust accounts either to Mr G initially or to this service. As it recognises that Mr G is still a trustee, I think it was reasonable for it to ask him for further ID information. This did delay matters considerably and I think it caused considerable confusion. Santander has set out to Mr G what is acceptable and, exceptionally, is prepared to accept a letter from the job centre as evidence of his name. It pointed out that the existing letter only gives an initial and doesn't set out his full name. In the absence of Mr G being able to provide a passport or similar evidence of identify, Santander agreed to accept a job centre letter, provided that it contains his full name and National Insurance number. I think that was reasonable. Although I am not clear from Santander's communications with our Investigator whether it has now accepted his evidence of identity. It should advise us in response to this provisional decision whether it has accepted this or whether it requires anything further.*

*As regards ID for his children, I've noted that Mr G argues that on a legal basis he shouldn't be required to produce evidence of ID of the beneficiaries of the trust. If this were an ordinary trust I might be inclined to agree with his position. But the accounts here were opened as child saver accounts. Most financial institutions operate these accounts up until the child or children reach the age of 18. At that stage it would be expected that the children would become sole owners of the account and any trust would cease. I don't think Santander provides these sorts of accounts anymore so I'm unable to look at their terms and conditions. But Santander has told us that in 2015 the two children's saver accounts were converted to flex saver accounts as the children had become of adult age. However it doesn't appear that it told Mr G this so technically there is still a trust in place.*

*However I think that Mr G's children, if they knew about the accounts would want to know about their entitlement to receive the monies in those accounts bearing in mind that the intention would have been that they received this at the age of 18. In that event I think it is fair and reasonable for Santander to ask for additional ID from the beneficiaries of the trust, as they are now adults. That said I can understand that Mr G is reluctant to approach them but he should appreciate that part of his duties as a trustee would be to inform the beneficiaries about the existence of the accounts, particularly as they are now adults. If he's not prepared to do this then the accounts would have to be made dormant as no transactions have been carried out on the account since 2003."*

#### *breach of pledges*

*As I said in my provisional findings, this wasn't an account in Mr G's sole name being made dormant. Although it appeared that way when Mr G was first contacted about it. I still think that Santander, in light of the information it has provided to us about the accounts, is entitled*

to ask for additional ID information.

#### *ID requirements*

I think that Santander has acted reasonably in this respect. When it does a KYC (Know your Customer) check it has two lists of required documents and the customer should produce one from each list. I can't say that since Santander must know who it is in contact with, it should waive that requirement. It has made a significant concession in Mr G's case, that it will accept a letter from the Job Centre. However the letter he has produced doesn't contain his full name. I think it would be reasonable to ask for this. As I've said, it is a significant concession and it would be far more onerous for Mr G to produce a copy of one of the documents it has in its normal list for ID.

#### *conversion of the accounts*

Santander should have told Mr G about the conversion of the accounts and this was an admitted failing on its part. On the other hand Mr G didn't recall that they had been opened as trust accounts for his children. According to Santander's record, the accounts were opened as Flexible saver (kids) accounts in March 2003 and converted to Instant saver accounts on 1 September 2015. It's difficult to say now what the requirements for such accounts were in 2003. Although it appears that Mr G remained as a trustee because the parties weren't contacted about the accounts in 2015

But I still don't think that these accounts were anything out of the ordinary. I think they were opened as Trust accounts until the children were of an age to operate a bank account. So I think it would be appropriate to remedy that now.

#### *transactions since 2003*

The only "transactions" as such were the addition of interest. No transactions were carried out by Mr G.

#### *current whereabouts of Mr G's children/ duties as trustee*

I appreciate this is a problem. But that doesn't mean that the accounts should be reactivated without the information. As I've said my overriding concern is to decide what is fair and reasonable. And I think it's fair and reasonable for Santander to request ID information about Mr G's children as they are now adults and can be regarded as customers in their own right.

I remain persuaded by my provisional findings. Those findings are now final and form part of this final decision.

#### **Putting things right**

Santander should pay Mr G total compensation of £200.

#### **My final decision**

I uphold the complaint in part and require Santander UK Plc to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 November 2024.

Ray Lawley  
**Ombudsman**