

The complaint

Mrs S complains that Santander UK Plc closed her accounts without adequate notice or explanation.

What happened

In August 2023 Mrs S notified Santander of a change of address to where she now lived abroad. Santander asked her to provide information about her finances and her circumstances. She provided all the necessary information to Santander, and explained to it that she wanted correspondence sent to her UK address, as the address where she was then residing was unreliable in terms of receiving post.

Santander reviewed the information Mrs S had provided, but decided that it could no longer offer her banking facilities. So it gave her 60 days' notice of closure in early November 2023. Unfortunately the notice was sent to an address which Mrs S hadn't lived at since 2016. It appears that the notice was also sent to her address abroad. But it only came to Mrs S's attention in late December 2023. She managed to move her funds before the account was closed in early January 2024. However she didn't want the account to be closed and thought that Santander should have offered her an account as an Expat. She spent some time trying to find out from Santander why her account was closed as she thought she had supplied all necessary information.

Santander said that the decision to close Mrs S's accounts was a commercial one. It wasn't based on any failure to supply information. But rather on the fact that because of where she now lived she didn't need to hold an account with Santander, and she had alternative accounts both in the UK and where she lived.

On referral to the Financial Ombudsman Service, our Investigator said that Santander had made a commercial decision to close Mrs S's accounts in line with the terms and conditions it has for holding an account with Santander. As a result, he wouldn't be asking Santander to do anything else.

Mrs S did not agree, pointing out in particular that the notice of closure had been sent to an address she'd not lived at for some years.

The matter was passed to me for an Ombudsman's consideration.

I issued a provisional decision. In it I said that as Santander had sent the notice of closure to an old address (noted on its records), Mrs S received it with very little notice. I said that Santander should pay her £100 compensation.

Both parties agree with my provisional findings.

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:

“On the question of closing her accounts, I can understand that there was some confusion here. Santander had carried out a KYC (know your customer) check, and Mrs S had supplied all the necessary information. But as a result of that information, Santander had made a commercial decision that it would no longer provide banking facilities for Mrs S. That is something it is able to do under the terms and conditions and it isn’t obliged to give a reason. And, so long as we don’t think Santander was acting unfairly, I don’t think is reasonable to ask it to overturn its decision. It had also determined that she wasn’t suitable for an Expat account. Again that was a commercial decision, and looking at what that account is designed for, it doesn’t really accord with Mrs S’s position. Further she actually had accounts elsewhere so she still had access to banking facilities. She has told us that the closing of her accounts didn’t have any financial impact on her.

I appreciate that Mrs S spent some time with Santander trying to find out the reason for her account being closed. As I’ve said, under its terms and conditions Santander didn’t have to provide a reason and, whenever Mrs S received the notice, she still would have wanted to make those enquiries.

However, Mrs S had made it clear to Santander that she wanted her correspondence to be sent to a particular UK address, which was the address listed in Santander’s records immediately prior to recording her address where she lived abroad. Yet the notice was not sent to that address, rather it was sent to an address where, according to Santander’s own records, Mrs S had not resided since October 2016. So, as Mrs S had made a specific request about receipt of future correspondence which Santander had noted but due to an error didn’t comply with, she didn’t receive the notice of closure until late December 2023. By that time she only had just under 2 weeks, including Christmas, to close her accounts. I think this caused unnecessary stress which would have been avoided if she’d had the full notice period available to her. I think that Santander should pay compensation of £100.”

As both parties have accepted my provisional findings, I remain persuaded by them. Those findings are now final and form part of this final decision.

Putting things right

Santander should pay compensation of £100.

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 Mrs S to accept or reject my decision before 6 November 2024.

Ray Lawley
Ombudsman