

## **The complaint**

Mr E complains Santander UK Plc (“Santander”) blocked and closed his accounts, including a Help-to-Buy (“H2B”) ISA.

To put things right, Mr E wants Santander to reinstate his H2B ISA, so he doesn’t lose out on the Government incentive he had been saving towards. And that it should pay him substantive compensation for the distress and inconvenience he’s suffered.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In April 2024, following an internal review, Santander blocked Mr E’s accounts which consisted of current and saving accounts, credit card, and an H2B ISA. Later that month Santander decided to close all of Mr E’s accounts with immediate effect. Funds for the accounts were released and sent to Mr E around the end of April 2024 or by early May 2024 by cheque.

Unhappy with Santander’s actions, Mr E complained. Santander didn’t uphold Mr E’s complaint. In its responses, Santander made the following key points:

- Santander can’t provide an explanation for why it restricted Mr E’s accounts. Santander has a strict policy in place to protect its customers and itself, and its legal and regulatory obligations can mean it sometimes needs to block accounts.
- In relation to the H2B ISA, Santander has closed this and doesn’t need to explain why. Nor can it reopen the account.

Mr E referred his complaint to this service. One of our Investigator’s looked into it, and they recommended it wasn’t upheld. In summary, their key findings were:

- Santander was entitled to review, block and close Mr E’s accounts and it doesn’t need to give an explanation. The closures were in line with the account terms and conditions. So they won’t be asking Santander to re-open the H2B ISA.
- There isn’t any evidence of any other benefits or wages being paid into Mr E’s Santander accounts other than £25.60 of child benefit. So the inability to access his accounts has had minimal impact on Mr E.

Mr E didn’t agree with what our Investigator said. As there was no agreement this complaint has been passed 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.

Having done so, I have decided to not uphold this complaint. I'll explain why.

Banks in the UK, like Santander, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Santander has explained and provided me with information as to why it decided to review and restrict Mr E's accounts. Having carefully considered this, I'm satisfied it did so in line with its obligations.

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 the account, which Santander and Mr E had to comply with, say that it could close the accounts by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Santander closed Mr E's accounts with immediate effect. Having reviewed its explanation and supporting evidence, I'm persuaded Santander closed them in line with its terms and conditions. I'm also satisfied Santander didn't cause any undue delay in returning the funds in those accounts to Mr E.

Mr E is particularly unhappy that his H2B ISA was closed – something he had been saving for on a long-term basis. And that he would now miss out on the related Government incentive which would towards buying a house. I can understand why Mr E feels strongly about this, but as I've already said, Santander closed his accounts, including this one, fairly and in line with its terms and conditions. So I won't be asking Santander to reopen it nor compensate him for any potential loss.

It's also understandable that Mr E would want a detailed explanation for why Santander acted in the way it did. But Santander is under no obligation to do so. 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 I consider should be kept confidential.

As I don't think Santander has done anything wrong, I see no basis to direct it to pay Mr E any compensation for the distress and inconvenience he says he's suffered.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 12 February 2025.

Ketan Nagla  
**Ombudsman**