

The complaint

Mr and Mrs P complain that Santander UK Plc blocked their account and declined a payment, causing them inconvenience and expense in getting the account unblocked. The complaint concerns a joint account, though for convenience I'll refer just to Mr P in this decision.

What happened

in June 2024, Mr P tried to make a payment for a caravan which he was buying from a friend. He found that the payment was declined. He then tried to make a lower payment but was notified that the account was blocked and he had to contact Santander. When he called Santander he was told that he would need to produce documents related to the purchase, and ID documents. He said that he wanted to cancel the purchase with Santander and use another bank account to do so. Santander explained that he would still need to produce documents to unblock the account. Mr P says that his other accounts with Santander were also blocked.

Mr P went into a branch of Santander the following morning with ID documents. It was explained to him that he still needed to produce the documents in respect of the purchase. He said he didn't have those with him. Later in the day he went into another branch, with the documents. The account was then unblocked. He made a complaint to Santander as he had chosen to make the purchase using another bank account. He also explained that the person who he was buying the caravan from was a family friend who they had known for many years.

Santander said that it had not made a mistake, as the purchase was flagged on its system for further checks. It said it appreciated the frustration caused and, recognising the inconvenience caused to Mr P, paid £75 compensation.

On referral to the Financial Ombudsman Service, Santander offered a further £75, as it felt that it could have handled the matter better.

Mr P said he couldn't accept the offer. He said he had lost a day's wages and had had to pay for fuel and parking costs. And that all his accounts with Santander were blocked for several days.

Our Investigator thought that Santander's offer was reasonable.

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

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.

First of all, I can't find that Santander made an error here. I fully appreciate that Mr P was making a genuine purchase from a trusted family friend. But the amount he was paying was

a substantial amount and was flagged by Santander's fraud prevention system. I know he was able to make the purchase using his account from another bank but without knowing exactly what criteria each bank uses, which would be commercially confidential, I can't say why this was the case.

When Mr P contacted Santander, as he was asked to, he was told what documents would be needed to unblock the account. I appreciate that he didn't want to make the purchase through Santander any longer and that there may have been some misunderstanding here as he didn't have the documents with him when he went to the branch the next day. However I can't say that it was unreasonable for Santander to ask for those documents so that the account could be unblocked.

I note that the account was unblocked that afternoon when Mr P was able to produce the necessary documents. It was his choice to go into the branches as the documents could have been scanned and sent through. But I appreciate that he wanted the matter to be sorted out urgently as he was due to go on holiday.

In respect of the compensation paid and offered, I think this was reasonable. Mr P was put to some inconvenience as Santander could have been clearer to him about the fact that it still needed the documents even though Mr P had told it that he had made the payment. From the evidence Santander has produced, I see that all his accounts were unblocked so they weren't blocked for several days as he has asserted.

In respect of lost wages, as the reason Mr S went into the branch wasn't because Santander had made any error, I don't think it's reasonable to ask Santander to pay this.

Putting things right

Santander has made an offer to pay a further £75 over and above the £75 it has already paid to settle the complaint. I think this offer is fair in all the circumstances. If it has not already done so it should pay a further £75.

My final decision

I 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 and Mrs P to accept or reject my decision before 9 January 2025.

Ray Lawley
Ombudsman