

The complaint

Mr S complains about the service he received from Santander Bank Plc ("Santander") when its automated systems flagged transactions for security checks. In particular, he is unhappy Santander didn't have the staff available at branch to assist him with the security check and that despite Santander already having all the information about the transactions he wished to make he was repeatedly subjected to lengthy questioning which he deemed unnecessary.

What happened

On 2 October 2024 Mr S attempted to transfer £6,700 to a builder's merchant. The payment was flagged by Santander's fraud prevention system and Mr S referred to its security team for additional checks.

Mr S attended one of Santander's branches to resolve the matter but as there were no branch staff available to assist him he decided to call Santander's fraud team himself. Mr S failed Santander's security questions to identify him and Mr S says he was advised that a branch representative should be calling on his behalf, but Mr S explained there was no one available. Mr S called the fraud team back as there was still no one available to help him in branch and was this time able to pass the security check having printed out a statement to assist him with this.

Mr S answered some questions about the transaction and Santander's representative confirmed with Mr S that the transfer wasn't a scam. Mr S was told he had to obtain the account information directly from the builder's merchant along with an invoice for the materials being purchased before they could authorise the payment. Although Mr S thought this unreasonable, he did as requested and called the builders and confirmed their bank details and agreed to provide an invoice once the payment was made. Santander then lifted the block and the transfer was actioned by a staff member in branch - at which point Mr S had spent two hours in branch and so he logged a complaint.

Santander explained to Mr S that no error had been made and the correct processes were followed. It said it wasn't possible to bypass its automated fraud system and that its branch counter staff are unable to call its fraud team on his behalf due to the sensitive nature of the information they require and potentially being disclosed in a public area. This was the reason for the wait times he'd experienced as there weren't any non-counter staff available when he wished to make the transfer for which Santander apologised. As a gesture of goodwill Santander offered Mr S £25 compensation which he declined.

A few days later on 9 October Mr S arranged a cash withdrawal of £15,000 with Santander but found when he went to collect the cash from branch (once again having to contact Santander's fraud team and go through its checks) Santander's representative said its system wouldn't allow them to process the withdrawal. This resulted in Mr S having to return the following day to collect the funds.

So Mr S again complained to Santander. Santander didn't agree that it had made an error in flagging the payments for additional security checks as it was for a large amount of cash and it was for Mr S's protection and allowed for in its terms and conditions it needed. But

Santander agreed its service was below the level it aimed to provide and offered Mr S £75 in compensation for the distress and inconvenience caused when he wasn't able to receive his funds when he attended its branch.

Mr S was dissatisfied with this and brought his complaint to this service. Mr S would like Santander's counter staff to call its fraud team on his behalf and for its automated fraud prevention system to consider previous interactions.

Following this Santander increased its offer of compensation to £100 which Mr S again rejected.

One of our investigators looked into Mr S's concerns but didn't think Santander had treated Mr S unfairly or made an error when carrying out its fraud checks as it has a duty of care to safeguard its customers money and it was within its rights to ask additional questions it deemed necessary and was in-line with its terms and conditions.

Despite Mr S giving prior notice of the withdrawal and having had previous transactions authorised they didn't agree that this should in anyway preauthorise transactions or circumvent Santander's automated fraud prevention systems. Furthermore, they didn't think the information Mr S was asked to provide was unreasonable. They accepted Mr S was inconvenienced having to wait for staff to become available but didn't think this was an error on Santander's part. They thought overall Santander's offer of £100 compensation was fair for the period of inconvenience Mr S experienced.

Mr S disagreed. Mr S says he doesn't object to Santander's systems flagging transactions but rather the service he received after this. He says Santander's staff wrongly led him to believe its fraud prevention system could be overridden and notes put on his profile that would in effect preauthorise the transactions he wished to make. Mr S says the delays experienced in having the withdrawals authorised set his project back by 2-3 weeks and has asked for an ombudsman's decision.

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.

Firstly, I should make it clear that Mr S has raised complaints regarding blocked transactions both before and after the events described above and that my decision only relates to the complaints raised following visits to branch between 2 and 10 October 2024.

My role is to look at problems that Mr S has experienced and see if Santander has made a mistake or done something wrong. If it has, we seek to put - if possible - him back in the position he would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

It might be helpful for me to say here that, I don't have the power to tell Santander how it needs to run its business and I can't make Santander change its systems or processes – such as how or when fraud prevention checks are deemed necessary regarding payments going out of an account or the processes it follows to do this. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Santander needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on outgoing transactions or cash withdrawals that meet certain criteria

for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. Indeed, Mr S accepts and understands this is needed not only to protect businesses against criminal activity, but also their customers.

But Mr S doesn't understand why when he's already informed Santander that he is undertaking building work, will continue to do so and where he's already answered questions about this its automated fraud prevention system can't consider previous interactions.

Santander has explained that its systems are automated and so it isn't possible to bypass them as each transaction is considered individually. And although I appreciate Mr S's frustration around having to repeat himself, I don't think this is unreasonable as circumstances can change and each transaction needs to be assessed individually as and when they happen. And as I stated above, it's not for me to say what systems or processes Santander needs to have in place to meet any regulatory requirements. And nor do I know what type of transaction will trigger a security check – indeed, if this information was released it could assist criminals in circumventing its security processes.

All I can decide is whether Santander treated Mr S fairly when carrying out the checks it deemed necessary and I think in this case - given the not insignificant amount of the payments and withdrawals Mr S wished to make - it did. Mr S doesn't think all the questioning around the transfer of £6,700 he wished to make was reasonable – and was especially unhappy being asked to provide an invoice before the building materials were delivered as it isn't how the building industry works.

I accept this was inconvenient for Mr S – but in the end he didn't have to provide the invoice prior to the transaction being approved and I don't think it would be fair or practical to expect Santander's staff to understand all industries or the way things are paid or to go through Mr S's statements to see what has happened before or be expected to remember this. So I don't think it is unreasonable that it follows the same security procedures and scripts for transactions that trigger security checks – this also ensures that it is treating all its customers equally.

The actions Santander took is in-line with its regulatory obligations and ultimately, it took this action to protect Mr S's interests, so I don't think Santander have acted unreasonably or treated Mr S unfairly here.

But Santander have agreed that although it was entitled to apply the blocks it did and follow its processes didn't do everything right. Santander have agreed that its service wasn't as good as it should've been and Mr S wasn't able to receive the funds he requested when he expected and have offered compensation of £100 for the inconvenience this caused which I think is fair.

I say this as Mr S has already acknowledged he'd previously received compensation of £80 and then £140 on other occasions when he'd experienced similar issues and then a further £150 a couple of months later. And given that Mr S was able to make the £6,700 bank transfer within 2 hours and receive his £15,000 in cash – albeit a day later than expected – I'm not persuaded further compensation is warranted or that the delays experienced resulted in delays to his building works or that there has been a financial loss as a result.

Things don't always go smoothly and mistakes happen and I think most would agree that sometimes one does have to spend some time on administrative tasks that may be inconvenient. And our role isn't to punish or penalise businesses for its mistakes – that is the role of the regulator.

So it follows I think Santander's offer of £100 for the inconvenience Mr S suffered is a fair

way to settle this complaint and I'm not going to ask it do anything more.

My final decision

For the reasons I've explained, I've decided Santander UK Plc's offer of £100 compensation is a fair way to settle Mr S's complaint and direct if it hasn't done so already it pay this to Mr S now.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 March 2025.

Caroline Davies
Ombudsman