

## **The complaint**

Mrs J is unhappy that Santander UK Plc have restricted her accounts.

## **What happened**

In September 2023, Santander placed restrictions on Mrs J's accounts because they were concerned about payments that she wanted to make and that she might be falling victim to a scam. Further restrictions were applied to Mrs J's accounts the following month.

As a result of these restrictions, Mrs J could only withdraw money from her account in branch, after explaining what she intended to do with that money. Mrs J wasn't happy that Santander had restricted her account in such a manner, so she raised a complaint.

Santander responded to Mrs J but reiterated that because of their concerns about her being potentially scammed that the restrictions on her account would remain in place. Mrs J wasn't satisfied with Santander's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Santander had acted unfairly in how they'd managed the situation, and so didn't uphold the complaint. Mrs J remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

I issued an initial provisional decision on this complaint on 24 September 2024 as follows:

*While I appreciate that Santander have concerns that Mrs J might not fully comprehend that an investment that she had wanted to make is almost certainly a scam, I don't feel that it's reasonable for them to have placed the level of restriction on Mrs J's accounts that they have for the length of time that those restrictions have been in place.*

*Ultimately, Mrs J is fairly entitled to make her own decisions. And while I accept and acknowledge that Santander have an obligation to protect Mrs J's money, I don't feel that that obligation extends to the point of unreasonably depriving Mrs J of her financial liberty – as I feel has been the case in this instance.*

*Instead, what I feel should fairly and reasonably have happened here is that Santander, after having the heightened restrictions on Mrs J's accounts in place long enough to have clearly explained their concerns to Mrs J, should have found a way to have lifted most of those restrictions. And the most obvious way for Santander to do this would have been to obtain a signed declaration from Mrs J that she understood Santander's concerns and accepted full liability herself for her financial actions moving forwards.*

*This isn't to say that Santander should allow Mrs J to directly transfer money to the investment in question, and it would be expected that that restriction would remain in place.*

*But it is to say that Mrs J shouldn't have been put in a position by Santander whereby for nearly a year she has had to visit a Santander branch to ask to withdraw money from her account and justify what she intends to do with it. And I feel that by any reasonable standard, that is demeaning for Mrs J.*

*As part of their review, our investigator asked Santander what Mrs J would need to do to have the restrictions on her account removed. Santander explained that there was no set process and that the restrictions would only be removed when they were satisfied that Mrs J won't be scammed.*

*Put simply, this isn't good enough. And Santander's apparent willingness to allow the debilitating restrictions on Mrs J's account to remain in place indefinitely – without having a plan that accounts for Mrs J's continuing disagreement that she is in the process of being scammed – is one reason that I'm upholding this complaint in Mrs J's favour.*

*To reiterate, I'm not saying that Santander shouldn't have restricted Mrs J's accounts in the first instance. But it is to say that after having the level of conversation with Mrs J that Santander have had – as demonstrated by Santander's own submissions to this service – that Santander should fairly have recognised that keeping Mrs J's accounts restricted in the manner that they have for any significant length of time was untenable. And that Santander should fairly have taken steps to resolve the situation in line with what I've explained above.*

*I also feel that Santander should have explained to Mrs J several months ago that they would be willing to remove most of the restrictions on her account if she signed a disclaimer to confirm that she understood Santander's concerns and accepted full liability for the consequences of her financial choices surrounding those concerns.*

*But Santander didn't do this. And because they didn't, Mrs J has had to suffer what I feel is the unreasonable indignity of having her account severely restricted for close to a year. And because of this, my provisional decision also includes that Santander must pay £750 compensation to Mrs J for the significant upset and inconvenience that she's incurred.*

*Finally, for the sake of clarity, I confirm that my provisional decision here is that, if Mrs J agrees with this provisional decision, Santander should ask Mrs J to sign a disclaimer which explains their concerns and wherein Mrs J confirms that she understands Santander's concerns and accepts full responsibility for the financial consequences of her actions surrounding those concerns moving forwards. And after Mrs J has signed that disclaimer, Santander should remove most of the restrictions from Mrs J's accounts, so that Mrs J is only prevented from directly transferring money to the scam/investment in question.*

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Mrs J responded to my provisional decision and said that she would not be willing to sign a disclaimer as I had stipulated. Santander also responded to my provisional decision and raised concerns about being instructed to accept such a disclaimer.

This led to high level discussions between Santander and this service where possible ways of resolving the situation were discussed. This resulted in Santander offering to partially remove the restrictions on Mrs J's account. Specifically, Santander offered to remove the restrictions on Mrs J's debit card to enable her to use her card moving forwards. Santander also offered to allow Mrs J to set up direct debits, and to allow Mrs J access to her online banking account on a 'view only' basis.

However, Santander's offer meant that Mrs J won't be able to make bank transfers or set up standing orders. Santander explained that this was because they continued to have

concerns that Mrs J might be in the process of being scammed.

This led me to issue a second provisional decision on this complaint on 10 February 2025 as follows:

*Taking the information provided by Santander regarding their ongoing concerns into consideration, I feel that Santander's caution in this regard is reasonable. Because of this, I feel it's for Mrs J to demonstrate to Santander's satisfaction that no scam is occurring. And if Mrs J can't demonstrate that point, to Santander's satisfaction, then I wouldn't expect Santander to allow any transactions about which they have concerns to complete.*

*Additionally, because scammers commonly instruct their victims to move money to a different account, and to then transfer that money to them from that different account, I also wouldn't expect Santander to allow Mrs J to move money from her account in such a way. And because of this, I feel that Santander continuing to restrict Mrs J's ability to move money from her account via bank transfer or standing order is reasonable.*

*Ultimately, upon review, I feel that Santander's proposal does provide a fair outcome to the current impasse regarding Mrs J's accounts. This is because by partially removing the restrictions on her account, Santander are enabling Mrs J to make purchases using her debit card and to pay bills via direct debit, while continuing to restrict bank transfers and standing orders – payment channels that are at greater risk of being exploited by potential scammers.*

*I'll therefore be issuing an updated provisional decision here whereby I instruct Santander to partially remove the restrictions on Mrs J's account in that manner that they've offered.*

*Finally, in their response to my provisional decision, Santander accepted that they could and reasonably should have moved to partially remove the restrictions on Mrs J's account much sooner than they have, and they accepted my provisional instruction to pay £750 compensation to Mrs J because of this. I therefore include the requirement for Santander to pay £750 compensation to Mrs J in this updated provisional decision.*

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Both Mrs J and Santander confirmed that they were in acceptance of my updated provisional decision. As such, I see no reason not to issue a final decision here whereby I uphold this complaint in Mrs J's favour on the basis explained above. And I therefore confirm that my final decision is that I do uphold this complaint in Mrs J's favour on that basis accordingly.

### **Putting things right**

Santander must partially remove the restrictions on Mrs J's account in the manner described above, if they haven't done so already.

Santander must also pay £750 to Mrs J.

### **My final decision**

My final decision is that I uphold this complaint against Santander UK Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 25 March 2025.

Paul Cooper  
**Ombudsman**