

The complaint

Mr H is unhappy that Santander UK Plc won't remove restrictions that they've placed on his account.

What happened

On 18 March 2024, Mr H instructed the transfer of a large sum of money from his Santander account to a third-party account to purchase a car. The transfer was flagged by Santander's automated fraud prevention systems and Mr H's account was restricted such that the transfer wasn't allowed to complete.

Mr H called Santander, having received a text message from Santander asking him to do so. Santander's agent asked Mr H a series of security questions to verify his identity, which Mr H answered successfully. However, Santander's agent also explained that before Mr H's funds could be released, he would have to listen to a scam education lecture, which Mr H wasn't willing to do. And because Mr H wouldn't listen to a scam education lecture, Santander wouldn't remove the restrictions from his account and the transfer he'd instructed continued to not be allowed to complete. Mr H wasn't happy about this, so he raised a complaint.

On 20 March 2024, Mr H engaged in email correspondence with Santander wherein it was indicated by Santander that Mr H's accounts would remain restricted until he listened to the scam education lecture.

On 22 March 2024, Mr H decided to listen to the scam education lecture to gain access to his account and emailed Santander asking for someone to call him so that he could do so.

Santander called Mr H later that day and their agent asked Mr H a series of scam related questions which Mr H answered. Santander's agent then asked Mr H about the car he was intending to purchase, to which Mr H answered that the purchase had fallen through and that he would no longer be buying the car. Santander's agent explained that they would still need to ask Mr H about the car. However, the agent wasn't satisfied with the answers that Mr H subsequently gave and confirmed to Mr H that the restrictions on his account would remain in place.

That same day, Santander issued a formal response to Mr H's complaint wherein they said that they didn't feel they'd done anything wrong by restricting Mr H's account as they had. Santander also confirmed that Mr H's account would remain restricted until Mr H listened to the scam education lecture and answered their questions about the payment he had intended to make to their satisfaction. Mr H wasn't satisfied with Santander's response, so he referred his 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. Mr H 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 a provisional decision on this complaint on 25 September 2024 as follows:

I can appreciate Santander's concerns about the payment that Mr H wanted to make. And this is especially the case given that Mr H's apparent reluctance to engage with them about the possibility that he might be scammed is behaviour that is often indicative of a person who is in the process of being scammed.

However, Santander's responsibilities and obligations in this regard have their limits. And I don't feel that the position that Santander have currently taken, wherein Mr H's account will remain restricted until he listens to a scam education lecture and answers questions about the payment he had initially intended to make, is reasonable.

This is because under Santander's current reasoning, Santander could potentially maintain the restrictions on Mr H's account indefinitely. This is clearly an untenable position. And I feel that it must be acknowledged that Mr H is an adult who can make his own financial decisions, including whether or not he is willing to listen a scam education lecture which there is – to the best of my understanding – no legal obligation on Mr H to listen to.

Additionally, Santander's obligations to Mr H also include that they are required to carry out any instructions he gives them regarding his accounts unless there is a good reason for them not to do so.

Of course, Santander argue that they do have a good reason not to carry out Mr H's instructions and to keep his accounts restricted – because they are concerned that he is in the process of being scammed. But as per the above, by sticking to this position with the steadfastness that they have, I feel that Santander have engineered a situation whereby they could potentially never allow Mr H access to his accounts until he acquiesces to their demands. And ultimately, as explained above, I don't feel that this is reasonable.

What I would expect to have happened here is that Santander would have found a way to resolve the current impasse in a different way. And this is especially the case from 22 March onwards, when Mr H told Santander that he was no longer intending to buy the car because the purchase had fallen through.

When considering how to resolve the current impasse, I feel that the most obvious solution is that if Mr H is unwilling to comply with Santander's requirements, that Santander could have asked Mr H to have signed a disclaimer wherein Mr H confirmed that he understood the risks associated with car purchase scams and accepted full liability for any loss he may incur resultant from such a scam in the near future.

Had Santander offered such a disclaimer to Mr H, I feel that this would have allowed them to have avoided the untenable situation that has arisen here wherein they've restricted Mr H's account on a potentially indefinite basis without compromising their responsibilities and obligations towards Mr H regarding the security of his account.

Accordingly, in consideration of this, I'll be provisionally upholding this complaint in Mr H's favour and instructing Santander to remove the restrictions from Mr H's account on the condition that Mr H signs a disclaimer as I've described it above.

However, I won't be making any further provisional instructions to Santander, such that

Santander should make any payment of compensation to Mr H or any reimbursement for claimed losses that Mr H might make. And this is because I feel that Mr H could have mitigated against everything that has happened here by simply listening to the scam education lecture in the first instance.

I also note that our investigator has also recommended that Mr H speak with Santander and complete their process to enable the removal of the restrictions from his account, but that Mr H has declined to do so.

Mr H has said that his continuing refusal to engage with Santander is based on his being unable to answer questions Santander might ask him about a car purchase he no longer intends to make, and which fell through several months ago. But if Mr H were to have engaged with Santander and answered their questions honestly, it may have been the case that Santander would have accepted that he no longer intended to make the car purchase such that they unrestricted his account. And I again reiterate to Mr H that his reluctance to engage with Santander is consistent with how scam victims often behave.

However, given the length of time that has now passed since Mr H's accounts were restricted, I feel that disclaimer route I've described above now provides the best solution to the impasse that has arisen here.

However, it's important to note that any disclaimer that Mr H may sign would only result in the removal of the present restrictions on his account. And it wouldn't have any effect on Santander's right or obligation to potentially block future payment instructions that Mr H might make that are flagged by their automated fraud prevention systems.

Mr H responded to my provisional decision and confirmed that he would be willing to sign a disclaimer to gain access to his account. However, Santander also responded to my provisional decision and raised several concerns about removing the restrictions from Mr H's account upon receipt of a signed disclaimer from him.

This led to high level discussions between Santander and this service about this issue and that way forwards that I had proposed. The outcome to these discussions was that Santander agreed to remove the restrictions from Mr H's account (which it's my understanding that they have done) without any need for a disclaimer from Mr H. Additionally, Santander also offered to pay £150 to Mr H as compensation for the time that this matter has taken to resolve.

This led to me issue an updated provisional decision on 7 February 2025 wherein I stated as follows:

Upon consideration, Santander's offer feels fair to me. This is because it includes the removal of the restrictions on Mr H's account which he was seeking. It's also because I feel that £150 does provide fair compensation to Mr H for the time that it has taken to resolve this matter since I issued my initial provisional decision in September. And I confirm that my position in this regard is in consideration of all the factors as previously described in my initial provisional decision letter quoted above.

As such, my provisional decision here is that Santander must remove the restrictions from Mr H's account if they haven't done so already, and that they must pay £150 to Mr H.

Mr H and Santander both responded to my updated provisional decision. Santander confirmed their acceptance of my updated provisional decision whereas Mr H asked me to

consider instructing Santander to pay a higher amount of compensation to him, given the trouble and inconvenience this matter had caused him.

Mr H draws attention to the fact that he did listen to Santander's scam lecture on 22 March 2024. However, as previously explained, following providing the scam lecture to Mr H on 22 March 2024, Santander also asked Mr H several questions about the car purchase he had intended to make. And because Santander weren't satisfied with the answers that Mr H provided to them regarding that car purchase, they didn't feel that they could remove the restrictions from his account.

In consideration of this point and of the wider complaint, I continue to feel that both Santander and Mr H could have handled matters differently here. For instance, Mr H could have answered the questions that Santander asked him about the car purchase to the best of his ability, rather than refusing to answer them. And this is especially the case given that, as explained previously, a refusal to answer questions can be an indicator that a scam is taking place. Conversely, I feel that Santander's agents could have been empathetic when speaking with Mr H and could have attempted to try to explain in more detail why they were following the process and asking the questions that they were.

However, ultimately, it remains my position that I don't feel that Santander did act unfairly by restricting Mr H's account or by maintaining those restrictions when Mr H didn't pass their security protocols to their satisfaction.

It also remains my position that I feel that when it became evident that an impasse had formed, that the impetus was on Santander to try to resolve that impasse, by continuing to try to engage meaningfully with Mr H about it. But I also feel that the impasse could and reasonably should have been avoided completely, had Mr H acted in what I feel would have been a more reasonable manner when Santander spoke with him about his account.

All of which means that I continue to feel that it wouldn't be fair to instruct Santander to pay a higher amount of compensation to Mr H than the £150 that they've offered to pay. And I continue to feel that the removal of the account restrictions, which I understand has taken place, is the outcome that is most important here.

Finally, I note that Mr H has cited the many hours that it has taken him to address this matter until now. But I can only reiterate that I feel that Mr H could have mitigated against the majority of the trouble and inconvenience that he's experienced by simply engaging with Santander in a more reasonable manner in the first instance.

I realise this won't be the outcome Mr H was wanting, but I hope that he understands, given all that I've explained, why I've made the final decision that I have.

Putting things right

Santander must remove the restrictions from Mr H's account if they haven't done so already.

Santander must also pay £150 to Mr H.

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 Mr H to accept or reject my decision before 25 March 2025.

Paul Cooper
Ombudsman