

The complaint

Mr A complains that Santander UK Plc blocked his account and sent money that was paid into his account back to source. He's also unhappy that Santander closed his account.

What happened

The detailed background to this complaint is well known to both parties. As such, I'll provide only an overview of the most essential facts here.

Mr A had a current account with Santander, which he opened in November 2022. On 6 April 2024,, Mr A's account received a payment of £8,000 from an individual I will refer to as B. Following this, Santander received a fraud report and indemnity from another bank. The other bank said that their customer, B, had been the victim of a scam and asked Santander to recover the £8,000, Mr A had received from B from Mr A's account so that they could return it to the victim of the scam.

In response, Santander contacted Mr A and asked him to provide proof of his entitlement to the money he'd received from B. Mr A told Santander that he'd received the £8,000 from a relative who'd wanted to give him some money. But said he couldn't remember the relative's name. Mr A then said he'd received the funds after trading with a third party and selling cryptocurrency. Mr A provided evidence including screenshots and a bank statement from the sender to support this.

Santander said it needed to investigate what had happened and time to review the paperwork Mr A had provided about his entitlement to the money that had been paid into his account. Whilst it carried out its review, Santander blocked Mr A's account. Following this Santander closed Mr A's account immediately and said it wasn't willing to refund Mr A the money he'd received to B. Santander recovered just under £7,000 of the funds and sent it back to source.

Mr A raised a complaint. He said he wanted Santander to refund him the money that he'd lost, and pay him compensation for the trouble and upset the matter had caused him. In response, Santander said that it hadn't done anything said it had been complying with its legal and regulatory obligations when it had blocked Mr A's account and asked him for information about the activity on his account. So it didn't uphold Mr A's complaint. Unhappy with this response Mr A brought his complaint to our service. He said Santander should have done more to help him. He says he is now out of pocket and wants Santander to refund him the money he says he lost after trading cryptocurrency. One of our investigators looked into Mr A's complaint and asked him for some more information – including where he got the money that funded the transaction he made to B. The investigator also asked Santander to provide us with more information about what had happened, which included the outcome of its review and contact with the sending bank.

After looking at all the information the investigator said that Santander hadn't done anything wrong when it had blocked and closed Mr A's account. He didn't recommend Santander

should refund Mr A any money because he didn't think the evidence showed Mr A was entitled to the money that had been paid into his account. He thought that Santander's actions were in line with its legal and regulatory obligations. So, he didn't uphold Mr A's complaint.

Mr A disagreed. He wants Santander to refund him the money he says he lost to B.

As no agreement could be reached the matter has come 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Santander has treated Mr A fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

Account block

I'll deal first with Santander's decision to block Mr A's account. I want to make it clear that I understand why what happened concerned Mr A. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out that his account had been blocked. But as the investigator has already explained, Santander has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

I've considered the basis for Santander's review and decision to block Mr A's account. Fraud is a serious matter. Santander had been contacted by another bank who told them, Mr A had received fraudulent funds into his account. Based on this I'm satisfied that Santander's decision to block Mr A's account was therefore legitimate and in line with its legal and regulatory obligations. Doing so also enabled Santander to consider how best to react to the information it had received from the sending bank about the money that had been paid into Mr A's account. So, I'm satisfied Santander acted fairly by blocking Mr A's account.

The terms and conditions of Mr A's account also make provision for Santander to review and suspend an account. And having looked at all the evidence, including the information Santander has provided to this service in confidence, I'm satisfied that Santander have acted in line with these when it suspended Mr A's account. So, although I understand not having access to his account caused Mr A trouble and upset it wouldn't be appropriate for me to award Mr A compensation since I don't believe Santander acted inappropriately in taking the actions that it did when it blocked Mr A's account.

Account closure

Mr A is unhappy that Santander decided to close his account. But as the investigator has already explained, banks are entitled to end their business relationship with a customer, as

long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions of the account. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Santander is also entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Santander should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

Santander have relied on the terms and conditions when closing Mr A's account. I've reviewed the terms, and they explain that Santander can close an account for any reason by giving two months' notice. In certain circumstances, Santander can also close an account without notice, which is what happened here.

For Santander to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that Santander has provided, including the information Santander has provided to this service in confidence, I'm satisfied that Santander did. And that it was entitled to close the account as it's already done. So, I can't conclude that Santander treated Mr A unfairly when it closed his account. And I won't be directing Santander to reopen Mr A's account.

Funds returned to source

Mr A wants the money he says he received from B for selling cryptocurrency. He has provided paperwork to support his explanation, which include a bank statement Mr A says B gave to him and screenshots of conversations between him and B.

Having reviewed this information, I do have concerns that this shows what Mr A suggests – that he's entitled to the money paid into his account from B. I say this because Mr A gave Santander a different explanation about the funds – he told Santander that the money was from a relative but when pressed by Santander he couldn't provide the relative's name. Mr A then changed his story and said he'd received the money from a third party after trading in cryptocurrency. Mr A hasn't explained why he provided Santander such different explanations. This leads me to doubt the credibility of Mr A's version of events.

Santander has also shown our service the information it looked at as part of its review, including the bank statement Mr A says he obtained from B. It's explained its rationale in weighing that information and it's demonstrated how it reached its decision not to refund Mr A. Having reviewed everything Santander and Mr A has told our service, I'm satisfied Santander acted reasonably in declining to refund Mr A, and that it was acting in accordance with its overriding legal and regulatory obligations when it did so. And the terms of Mr A's account. I appreciate Mr A wants to understand more about the reasons for Santander's decision. But Santander isn't obliged to provide an explanation for its decision to Mr A, and it wouldn't be appropriate for me to compel it to do so.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or

reject my decision before 14 April 2025.

Sharon Kerrison
Ombudsman