

The complaint

Miss C is unhappy with the blocks Santander UK Plc placed on her accounts and its subsequent decision to close them.

What happened

Miss C had three accounts with Santander. From 3 – 30 March 2022 Santander blocked her accounts in error. It appears the error was identified in early April 2022 and Santander paid Miss C £700 in acknowledgment of the distress and inconvenience caused by the error.

In July 2022 it carried out a review of the accounts and contacted her for some further information. As it didn't receive a response, the accounts were blocked again on 28 July 2022.

In December 2022 Miss C went into a Santander branch. Its records show she was very distressed to have discovered her accounts had been blocked and the police had to be called to the branch to assist her. Miss C later felt better able to answer the questions Santander had asked about the accounts and the blocks were removed on 28 December 2022.

In April 2023, Santander carried out a further review. It again tried to contact Miss C for further information but didn't receive a response. As a result it blocked the accounts on 1 June 2023 and wrote to Miss C with notice it intended to close the accounts in 60 days' time on 16 August 2023. The accounts were closed as it didn't hear anything more from Miss C.

Later in August 2023 Miss C visited a Santander branch. She was very distressed to have discovered her accounts had been closed. Santander advised it would consider re-opening the accounts if Miss C was able to answer the questions it had previously asked as part of its review and if she was able to provide the documentation it had asked for. Miss C did provide some information, but felt unable to provide everything requested due to the additional distress it would've caused her. So the accounts remained closed.

Miss C brought the complaint to our service. Initially our investigator only considered the second and third block applied to Miss C's account and they concluded they'd been applied fairly.

Miss C didn't accept their findings. She said there had been another occasion the account was blocked in error – in March 2022 - that she'd like us to look into. She also said when she visited branch in December 2022 Santander took and retained her identification ("ID") and she raised concerns about the questions Santander had asked during a review.

Initially Santander couldn't find a record of the March 2022 block, but ultimately was able to find and provide information relating to this. Our investigator considered everything again, including the additional block and the other issues Miss C raised relating to the blocks.

Having looked at everything again the investigator maintained the second and third blocks applied were fair. They felt the compensation already paid by Santander was fair for the

mistaken block. They also weren't persuaded Santander had likely retained Miss C's ID or that it had acted unreasonably in the questions it had asked.

As Miss C didn't accept the investigators view the complaint has been passed to me. Under this complaint I am considering the following points:

- Blocks placed on the account in March 2022, July 2022 and June 2023
- The closure of the accounts

The following points weren't part of Miss C's original complaint. But I'm satisfied they are issues ancillary to her complaint about the blocks – they both stem from the blocks, and the information and documentation Miss C was asked to provide as part of trying to arrange for the blocks to be removed. So I'm satisfied I can consider them under this complaint:

- Miss C says Santander withheld her ID in branch in December 2022
- Miss C was unhappy with the questions she was asked about the location of IP addresses her banking facilities were accessed from

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.

Blocks placed on the accounts in March 2022

Santander has confirmed that according to its records it blocked Miss C's account in error in March 2022. It appears Miss C made a complaint about this error in April 2022 and it paid her £700 to acknowledge the distress and inconvenience caused.

Santander has accepted this block was put in place in error. So what's left for me to decide is whether the £700 it has already paid in acknowledgement of the distress and inconvenience this has caused was enough.

Miss C has explained this event had a significant impact on her mental health and I fully accept the impact would've been significant. The account was blocked between 3 and 30 March 2022. In the call recording provided, where the complaint about this issue is discussed, Santander confirms Miss C contacted Santander numerous times during this period to try and find out what had happened with her accounts and wasn't provided any information.

I fully accept this would've been distressing for Miss C given what she's told us about her circumstances. I also accept the impact on her would've been considerable, especially given the lack of information provided by Santander. But I don't think Santander can be held solely responsible for all of the events that took place after this block or the long term hospitalisation she experienced. I think some of the circumstances she's described aren't caused by Santander's actions, although I fully accept the impact was greater given her personal circumstances.

Taking all of this into account, I think the amount it's already paid Miss C - £700 – is reasonable and in line with our guidelines for the considerable impact Miss C has suffered.

I understand it did take some time for Santander to acknowledge this block when the complaint came to our service. For some time it couldn't find any record of it and it only came to light part way through our investigation into Miss C's complaint and after she was able to provide more specific details about when it occurred.

But when I'm considering the compensation suitable in this case I'm taking into account the impact of the incident itself at the time. The blocks were removed and compensation was paid back when the error occurred. And whilst the situation took several weeks to resolve at the time, I think the £700 awarded takes this into account.

Blocks placed on the accounts in July 2022

Miss C has shared details of how the circumstances of this complaint have impacted her because of the mental health conditions she's living with. I want to reassure her that I've understood what she's said and I have taken this into account when considering any errors Santander has made in this case.

But I also need to explain that Santander does have certain obligations in providing banking services. And sometimes this will involve asking questions, or requesting information. I understand from what Miss C has explained that being questioned about her accounts was very distressing for her. And I don't wish to dismiss that. But I also have to take into account that sometimes things like this are an unavoidable part of the administration of every day life. And whilst I do fully accept that Miss C has found this difficult, it doesn't automatically follow that Santander has done something wrong.

UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. Because of this, there were occasions when Santander legitimately had to contact Miss C to ask her for more information.

Banks and financial businesses have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's common industry practice for businesses to restrict access to an account to conduct a review on a customer and/or the activity on an account. And the terms of the account permit Santander to block an account. This means it is entitled to block and review an account at any time.

I've looked at Santander's reasons for carrying out this review and I'm satisfied they were fair and reasonable. I understand Miss C would like to know more about why this review was carried out, and I understand she's found it distressing not to understand why it happened. But Santander doesn't disclose what triggers a review of their accounts to its customers. It's under no obligation to tell Miss C the reasons behind the account review and block, as much as she'd like to know. So, I can't say it's done anything wrong by not giving her this information. And it wouldn't be appropriate for me to require it to do so.

Santander tried to contact Miss C in July 2022 as part of a review of her account. According to its records it contacted her using the phone number it held for her and wrote to her at the address it held for her. When it didn't receive a response within the time frame provided the accounts were blocked.

However, in December 2022 Miss C visited a Santander branch and explained there were exceptional circumstances that had prevented her from receiving or responding to Santander's requests. She explained she was in hospital for several months around the time the requests were sent. Santander wouldn't have known this at the time. So its decision to block the accounts based on the non-response were reasonable.

It did what I would've expected and considered whether, given the clear distress the block and requests for information were causing Miss C, it could forgo them on this occasion. But ultimately it decided it couldn't. It did need further information from her in order to satisfy its risk criteria. And whilst I can see this was upsetting for Miss C, it was a decision Santander was entitled to make in the circumstances. Ultimately, I don't think the blocks applied on this occasion or the questions and information requested from Miss C were unfair or unreasonable.

Blocks places on the accounts in June 2023 and subsequent account closures

Santander carried out another review of Miss C's accounts in April 2023. As I've outlined above banks are entitled to carry out this type of review with a view to meet its obligations and own criteria. Having reviewed the reasons for this review I'm satisfied it was reasonable for it to review the account again and the information requested was reasonable in the circumstances.

According to its records it again attempted to contact Miss C using the phone number and address it held for her. Its records state it left a voicemail for her and sent SMS messages to the same mobile number she still appears to be using.

When it didn't receive any response from Miss C, it wrote to her confirming blocks had been put in place and the account would be closed. It gave her 60 days' notice of its intention to close the accounts. It didn't hear from her within this time frame and the accounts were closed.

Banks are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. 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.

On 24 August 2023, after the 60 day notice period had passed, Miss C visited a Santander branch. It's recorded that she was distressed to discover her accounts had been closed. Santander confirmed it would consider re-opening the accounts upon receipt of the information previously requested. And this is what I would've expected it to have done given Miss C's circumstances.

Miss C ultimately decided not to provide this information to Santander due to the considerable stress she felt it was causing her to try and obtain the information it requested – which included a year's worth of bank statements from another account. She's also explained that due to the distress she experienced following the blocks she no longer felt she could trust Santander. This was of course a choice she was entitled to make, but Santander in turn was entitled to keep the accounts closed.

Santander can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Santander have relied on the terms and conditions when closing Miss C's accounts and, it has provided supporting evidence to show why the terms and conditions it's relied on are applicable in this case. Having reviewed this information, I'm satisfied it has acted fairly in closing Miss C's accounts. Whilst I can't disclose more information about this to her I hope I can provide assurance that her accounts weren't closed for an improper reason.

I understand a large part of Miss C's concern is that the first block was put in place in error. And she's questioned how the two subsequent blocks could've happened again given this previous mistake. I understand the confusion, Santander has confirmed the first block was a mistake. But the subsequent blocks were genuine and as I've explained part of the legitimate reviews banks carry out sometimes. The first block put in place in error, isn't relevant to the second and third.

Other issues relating to the blocks

Miss C has said when she attended branch the ID she provided to staff was taken away for checks and never returned to her. Where there's a dispute like this we have to take into account what is most likely to have happened in the circumstances. I can see Miss C feels very strongly that Santander retained her ID, but Santander has said it has no record of retaining these documents and as far as I'm aware this wouldn't be part of its usual process. It's not clear why it would've retained the documents, and if it had done so in error it seems likely they would've been discovered and returned.

I've also listened to an internal call following Miss C's branch visit in December 2022 where it's confirmed that the paper part of her driving license had been provided to confirm her address – which is different to the documentation Miss C says Santander retained. But there was no discussion or mention of this documentation having been retained for any reason. And later during this visit Miss C spoke to Santander over the phone to answer questions about the account and didn't mention anything relating to her ID.

I can see that both branch visits were difficult for Miss C and on one occasion the police had to be called due to the levels of distress she experienced and expressed to Santander staff. Overall I don't have sufficient evidence to support that the most likely outcome here is that Santander have kept and retained her ID. Whilst I understand that's what she recalls having happened, I don't think there is evidence to support this is more than likely what has happened.

When asked about this, Santander has done what I would've expected in trying to find the documentation and it hasn't been able to. I wouldn't ask it to do anything further in this case.

Miss C has also raised concerns relating to the IP address locations Santander asked about in September 2023, when it was requesting information in order to consider re-opening the accounts. As part of its review earlier in 2023, Santander identified IP addresses from other parts of the country were used to access Miss C's online banking facilities. It asked her if she had any connection to these locations which she confirmed she didn't.

Miss C has said this questioning, along with the other questions and information she was asked for, had a significant impact on her mental health, in particular triggering paranoia. She's said she wants further information from Santander around exactly how these IP addresses are linked to her account and what transactions have been carried out when IP addresses from these areas were used to access her accounts.

IP addresses may not always accurately reflect the precise location of the user. So on its own, the location of an IP address isn't necessarily evidence of unusual activity, but it might be something a bank will ask about as part of its wider investigation, in order to gain a better overall picture of someone's circumstances. And this is what's happened here.

It wouldn't be for Santander to then decipher how this IP address location might've come about because the accessing of the account has been instigated by Miss C not Santander.

After being asked about the IP address locations, Miss C has later said she can't be sure she did access the account and feels it's Santander's responsibility to establish this, but I don't agree. Miss C has security credentials specific to her account and it's her responsibility to look after them and keep them secure. These credentials have been used to access her account so as a starting point Santander is acting reasonably in treating this as an occasion where Miss C accessed her own account.

If Miss C has any concerns that her accounts have been accessed by someone else and they've carried out transactions she's said she didn't authorise, it would be for her to recognise this and raise it with Santander. If she has any concerns about unauthorised transactions, she will need to contact Santander about this, but she will need to provide relevant details about what these transactions are. I understand that much of Miss C's concern is driven by her personal circumstances, but I wouldn't expect Santander to do more in relation to this point.

Miss C has raised concerns that the IP address locations have contributed to her accounts being closed. This isn't the case, but regardless, as I've explained above, I've seen the reasons for the closure of the accounts and I'm satisfied they were fair and reasonable in this case.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 23 April 2025.

Faye Brownhill
Ombudsman