

The complaint

Mrs G complains that Santander UK Plc closed her account without informing her and without providing a proper explanation.

What happened

Mrs G had a current account with Santander, which she'd had for a number of years.

Mrs G resides overseas and has explained that she used her Santander account to make her UK mortgage repayments and manage the financial disbursements of her mum's estate.

In July 2024, Santander reviewed Mrs G's account. Following its review Santander decided to close Mrs G's account with two months' notice. However, due to a lack of postal service where Mrs G lives, Santander wasn't able to send Mrs G a letter about her account closing. So, Mrs G wasn't informed about Santander's decision. Mrs G's account was due to close on 16 September 2024. During the notice period Mrs G was able to use her account normally.

On 9 September 2024, Mrs G visited a Santander branch to transfer some money from her account to her brother's account. During the visit staff didn't make Ms G aware that her account was due to be closed.

Mrs G discovered that her account had been closed when she returned home, and her bank card stopped working. On 20 September 2024, Mrs G rang Santander to try and find out what was happening with her account. During the call Santander told Mrs G that it had decided to close her account. Following this call Santander extended the notice period to December 2024.

Mrs G was shocked and upset to learn her account was due to be closed. She said Santander hadn't let her know it no longer wanted her as a customer and pointed out that staff hadn't made her aware when she had visited a branch. Mrs G said given the problems with the postal system where she lives, Santander should have used other channels to try and contact her, such as email or online banking messages.

Mrs G explained that she didn't have any other UK bank account so, she was concerned about the ability to make upcoming payments, such as her UK mortgage and being able to deal with the proceeds of her deceased mother's estate. Mrs G said that she was worried about future costs related to exchange rates and transaction fees. And that it wasn't fair Santander didn't provide a proper explanation for its decision to close her account.

In response, Santander apologised and accepted that the service it had provided Mrs G had fallen short in how it communicated with her. To put things right Santander offered Mrs G £250 compensation for the trouble and upset its decision to close her account had caused.

Mrs G remained upset and brought her complaint to our service. She said the amount of compensation offered by Santander isn't enough to make up for the trouble and upset she

has suffered. She also wants Santander to reopen her account. And to explain why it closed her account.

One of our investigators looked at the complaint. They said that Santander was entitled to close Mrs G's account under the terms and conditions. However, they said Santander hadn't informed Mrs G of their decision which had caused Mrs G trouble and upset. So, they said to put things right Santander should pay Mrs G £250 compensation.

Mrs G disagreed. She wants to know why Santander closed her account and more compensation. She said the whole experience has left her upset, exhausted, and taken an emotional toll on her. Mrs G says Santander shouldn't have relied on the postal system and could have used other channels to let her know it had decided to close her account.

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 think it's important to firstly explain I've read and considered all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mrs G's complaint in less detail than she has done. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

So, I've gone ahead and considered things using my fair and reasonable remit. I'm required to take into account the law, rules and regulations, codes of practice – but ultimately I decide matters based on what I think is fair and reasonable.

Mrs G is unhappy that Santander decided to close her account. She has said that she wants an account with Santander. And that the account is very important to her especially as she lives overseas and has a UK mortgage to service. I appreciate the account closure inconvenienced and upset Mrs G and I'm somewhat sympathetic to the position she finds herself in. But Santander isn't obliged to continue its relationship with Mrs G simply because she wants to bank with them.

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 have relied on the terms and conditions when closing Mrs G's account. These state that the bank can close an account by giving a customer two months' notice. And it doesn't have to provide a reason for doing so. Santander has said it didn't send Mrs G a notice to close letter because of her country of residence doesn't have a reliable postal service. Whilst I accept I can't hold Santander responsible for this, this means Santander

haven't been able to demonstrate they sent a notice of their intention to close the account, as required under Santander's terms. So, Mrs G was left in the dark.

Mrs G has argued that Santander should have let her know about its decision to close her account when she visited a branch in early September 2024 to send money from her account to her brother's account. I think Santander missed an opportunity here and could have made it clear to Mrs G that it had decided to close her account.

Mrs G only discovered that her account was going to be closed when she returned home and had problems using her bank account. She rung Santander on 20 September 2024 to find out what was happening with her account and was told her account was closed.

I've listened to the call recording of this conversation and it's clear Mrs G was very upset and shocked to be told Santander no longer wanted her as a customer. And that the bank hadn't let her know especially as they'd had the opportunity to do so when she went into a branch and were fully aware she lived overseas.

Santander have acknowledged it made mistakes in closing Mrs G's account which resulted in Mrs G being caused upset. It has offered Mrs G £250 compensation to put this right. Mrs G says this isn't enough. She says she spent over thirty hours on the phone trying to sort things out with Santander and had to speak to several members of staff, which was exhausting and time consuming.

It's not in dispute that the key issues occurred after the decision had been made to close Mrs G's account. Santander accept that its service fell below reasonable standards and Mrs G wasn't told her account was going to be closed until some months after it had made the decision. Therefore, the key issue for me to consider is the impact these issues had on Mrs G.

The Investigator said Santander's offer to pay Mrs G £250 to recognise the inconvenience and upset caused was fair. Reaching an award for distress and inconvenience is seldom straightforward. It should be borne in mind that this service's aim is to ensure businesses compensate consumers where things have gone wrong. This can involve consideration of a business' policies and procedures. But we're not the industry regulator – that's the FCA – and so it's not for us to punish or fine a business or require a business to change how it operates going forward.

It's clear that Mrs G is unhappy with the overall level of service she's been provided with by Santander. And with some justification, in my view. I say this because Santander didn't send Mrs G a notice to close letter. And didn't tell Mrs G it had decided to close her account until she contacted the bank. This, no doubt, would have caused Mrs G upset.

I understand that these issues have proved frustrating and disappointing for Mrs G to have encountered. I'm pleased to see that Santander eventually recognised the impact of this on Mrs G, it apologised and offered to pay Mrs G £250 by way of compensation.

I recognise that Santander should have done better in the first place. But, the fact is, things went wrong, and that impacted on Mrs G through no fault of her own. This is not the level of service Mrs G would reasonably have expected to receive.

It's rarely straightforward to decide what represents an appropriate level of compensation for non-financial loss given its inherently subjective nature. Mrs G, and no-one else, experienced these particular problems. I assure her I'm mindful of that.

This said, I've taken account of this service's general approach to compensation for distress

and inconvenience as set out on our website. I've thought about this approach in light of the errors Santander made and the impact on Mrs G.

Overall, I'm persuaded that Santander caused Mrs G loss to the extent that it was fair to have offered her some compensation for distress and inconvenience. I think £250 compensation is fair taking all the circumstances into account, including the mistakes Santander made and their impact on Mrs G. So, I won't be asking Santander to increase this amount.

I've then gone on to consider whether Santander's reasons for closing the account was fair. In doing so, I appreciate that Santander is 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.

After considering all the available evidence and circumstances, I haven't seen any evidence that would lead me to conclude Santander closed Mrs G's account for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its commercial discretion. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision. So, it was entitled to close the account as it's already done. And I won't be directing Santander to reopen Mrs G's account.

I understand Mrs G wants Santander to explain the reason it closed her account. It can't be pleasant being told you are no longer wanted as a customer. But Santander doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mrs G the reasons behind the account review, as much as she'd like to know. It's also under no obligation to provide Mrs G with the reasons it no longer wants her as a customer. So, I can't say it's done anything wrong by not giving Mrs G this information. And it wouldn't be appropriate for me to require it do so now.

Finally, I acknowledge Mrs G's comments around how she believes Santander should communicate with its customers – particularly in the use of digital communication and in light of the fact Mrs G lives overseas. It's important to explain that it's not the role of this service to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or enforce changes to policies. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Santander acted fairly and reasonably when applying those policies and procedures in the individual circumstances of Mrs G's complaint. However, I note that Santander has acknowledged Mrs G's suggestions and said that it will review how it communicates in the future. I hope this gives Mrs G some level of comfort that Santander have taken on board her comments.

In summary, Santander has acknowledged its errors in this case and agreed to pay £250 compensation in recognition of its poor service. Mrs G says this isn't enough. But I'm satisfied that £250 is a fair amount of compensation and adequately compensates Mrs G for the results of Santander poor communication. I've considered Mrs G's further comments. But these don't change my conclusions. So, I won't be asking Santander to do anything more to resolve Mrs G's complaint.

My final decision

Santander UK Plc has already made an offer to pay £250 to settle the complaint and I think this offer is fair in all the circumstances. So, my decision is that Santander UK Plc should pay Mrs G £250.

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

Sharon Kerrison
Ombudsman