

The complaint

Mr A complains Santander UK Plc unfairly closed his account and withheld funds.

What happened

In 2012 Mr A opened a current account with Santander. In late May 2024 Santander reviewed Mr A's account, and it asked Mr A for more information regarding his account activity.

Mr A provided some information, but on 31 May 2024 the decision was made by Santander to close the account. Mr A was issued a notice to close letter which provided him with 30 days' notice of the closure of the account. During this time Mr A's account remained blocked.

Mr A raised concerns with Santander as he wanted access to the funds within his account. Santander explained that these funds could only be released once Mr A had shown he was entitled to them. This meant Mr A was required to provide evidence of his entitlement.

Mr A submitted evidence to Santander – this included testimony from individuals who sent the funds to Mr A's account. However, upon reviewing the evidence Santander continued to withhold the funds, explaining Mr A hadn't provided adequate evidence to meet its requirements to release the funds.

Mr A raised a formal complaint about Santander's handling of his account. In its letter dated 2 September 2024 Santander specified the payments it required details for and explained it would need the reason for these payments crediting Mr A's account and evidence to support it. Santander confirmed the funds wouldn't be released until this evidence was provided.

Mr A continued to query the release of his funds with Santander. Mr A said Santander actions weren't justified and it was acting contrary to law. Santander reviewed its decision, and in its letter dated 16 October 2024 it maintained it had closed the account fairly and it required further evidence from Mr A before the funds could be released.

Mr A remained unhappy with Santander's response and referred the complaint to our service. An Investigator reviewed their concerns and in summary, made the following findings:

- Santander's regulatory obligations mean it is entitled to carry out reviews of customer accounts.
- The block of Mr A's account was fair and in line with the account terms and conditions.
- Santander doesn't need to provide Mr A with a reason for the closure.
- Santander's decision to withhold the funds in Mr A's account until it was satisfied Mr A was entitled to them was appropriate.
- The evidence provided by Mr A to date isn't adequate and Santander has acted fairly in asking for further evidence.

Mr A and Ms A disagreed with the Investigator's findings, explaining the following key points:

- Santander said Mr A had 30 days' notice of the account closure, but it closed the account before this as it couldn't be accessed by Mr A.
- Santander failed to properly consider the evidence Mr A provided.
- The funds have been illegally removed from Mr A's account.

As no agreement could be reached, the case has been referred to me – 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.

Firstly, I am sorry to see Mr A has had cause for complaint. Having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.

I'll start by setting out some context for the review of Mr A's account. 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. In Mr A's case I'm satisfied Santander was complying with these obligations when they reviewed Mr A's account.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Santander has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr A, but I'd like to reassure him that I have considered everything he and Santander have said before reaching my decision.

Based on the information disclosed by Santander I'm satisfied it acted fairly by blocking Mr A's account and had no obligation to tell Mr A the basis of its concern or forewarn him of its intention to carry out such a review.

Mr A's account terms and conditions also allow Santander to block the account to ensure it's able to comply with its regulatory requirements. I understand Mr A's frustration with the block, and I don't doubt it would've had a detrimental impact on him. I've looked at the reasons Santander placed blocks on the account, and I'm satisfied Santander acted in line with its obligations and acted both fairly and reasonably. So, I don't think Santander did anything wrong when restricting the account.

Whilst the account was blocked Santander asked Mr A for evidence to support the activity on the account. In particular it asked for details regarding the incoming credits and his entitlement to them. Mr A provided various pieces of information to assist with the review – this included testimony from individuals who sent the money. However, Santander didn't consider this evidence to be sufficient. Looking at the information Mr A provided I think this was reasonable. The information didn't clearly establish a legitimate source of the funds within the account, and I can't see that any clear evidence was provided to support Mr A's comments around the account activity.

Santander's review of Mr A's account led to its ultimate decision to close the account. 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. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. 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. Given its regulatory and legal obligations, I'm satisfied Santander's decision was made fairly.

The terms and conditions of Mr A's account set out that the bank can close the account by providing 60 days' notice. In certain circumstances, it can also close the account immediately. In this case Santander blocked Mr A's account, so I consider this to be akin to an immediate closure. 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 the bank has provided, I'm satisfied that Santander did.

I've thought carefully about Mr A comments about Santander's decision to withhold his funds. Mr A says these are legally his funds and Santander is wrong to withhold them. I appreciate Mr A's strength of feeling about this issue, but as explained above Santander's legal obligations are extensive. It must be satisfied Mr A is legitimately entitled to the funds within the account before it releases them, and it is for Santander to decide what evidence it requires for this to ensure the necessary threshold is met.

Given Mr A still wishes to access his funds I would encourage him to liaise with Santander directly if he has further evidence to support his claim to the funds.

I'm sorry this isn't the outcome Mr A hoped for and I know he will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Santander to take any further action or compensate Mr A.

My final decision

My final decision is that I don't 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 23 April 2025.

Chandni Green
Ombudsman