

The complaint

Mr A complains about the service he received from Santander UK Plc ("Santander") when it applied a block to his online banking following an attempt by him to make a payment of £300. In particular, Mr A feels the questions asked of him to have the block lifted were irrelevant and threatening and that Santander's actions were unprofessional and constitute an abuse of power.

What happened

On 23 November 2024 Mr A attempted to make a payment to a new beneficiary online of £300. The payment was flagged by Santander's automated security system for additional checks and a block placed on his online banking.

Mr A called Santander about this and explained that he is trying to pay a friend but as he wanted to avoid questioning requested Santander cancel the payment so his account can be unblocked. Santander's advisor explained that he'd still need to answer some questions to unblock the account.

Mr A advised the payment was for work carried out to a property he owned that had been completed. Mr A said the work was carried out by a person he met online a week ago but hadn't met in person. Mr A explained as he lives in a different town from the property he has a middleman who let the person in to carry out the work and that he's seen pictures of the work being carried out. Mr A said he received the account details for payment through this middleman. Santander's representative asked that Mr A confirm with the friend directly the account details for payment before they could lift the block. Mr A did this but as Santander's representative still wasn't satisfied and had some concerns about Mr A's relationship with the friend they referred Mr A to its payments team for additional checks.

Mr A had a further conversation with Santander's payments team on 26 November. Mr A advised he made the payment from a different bank account but wouldn't discuss how he paid it. When questioned Mr A advised he'd seen the work carried out on the property in pictures but not in person. The middleman was his builder known for 10 years and that the works had been completed and he was happy with it and will make further payments in the future. At this point Santander had no further scam concerns and so the blocks were removed.

Mr A complained to Santander about all of this. Santander explained that there had been an increase in instances of fraud and that in order to protect its customers from fraud it has an automated system in place which carries out checks on transactions and if fraud is suspected transactions are declined and blocks placed.

Santander didn't uphold Mr A's complaint as it said the blocks were applied correctly and the correct processes followed when referring Mr A's details to its payments team for additional checks when it still had concerns. Mr A could be falling victim to a scam and it would still need to talk to Mr A, even if he wanted to cancel the payment. Santander confirmed following the additional checks and Mr A answering its questions it could eliminate the

concerns and so removed all blocks, but that during the process Mr A was still able to use his card and access his money.

Mr A was dissatisfied with this and brought his complaint to this service. He says Santander misused its power under the pretext of a spam/fraud investigation and that its staff were unprofessional and threatened not to re-open his account unless he answered their questions which weren't any of their business. Mr A says the questions asked were irrelevant and left him feeling vulnerable and harassed.

Mr A wants a formal apology from Santander and for it to review its practices to ensure no other customer has to endure such treatment.

One of our investigators looked into Mr A's concerns but didn't think Santander had treated Mr A unfairly or had made an error when its system flagged the payment in question as this was in line with the terms and conditions of his account and given the nature of the payment, they didn't think this was unreasonable for fraud prevention.

They thought there were discrepancies on both sides of the initial conversations between Mr A and Santander's representatives but didn't think this impacted the security process. They thought that there was conflicting testimony which gave rise to legitimate concerns and that it was reasonable for Santander to escalate this as part of its security processes.

Furthermore, they thought that Santander's representative had explained why the answers to its questions were necessary before it could lift the restrictions and didn't think the questions asked were unreasonable or that it was unreasonable that the restrictions remained until the security process had been completed.

Mr A disagreed and doesn't believe he has been treated respectfully or fairly, especially in the questions Santander asked. Mr A doesn't understand why when he'd asked Santander to cancel the payment an investigation still needed to be made and believes this to be an abuse of power and has asked for an ombudsman's 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.

Mr A's complaint is regarding the way Santander treated him and the questions it asked when going through its security checks and attempting to have the online restrictions lifted from his account. Mr A believes Santander's actions constituted an abuse of power and that he's been treated unfairly.

It might be helpful for me to say here that, I don't have the power to tell Santander how it needs to run its business and I can't make Santander change its systems or processes – such as how or when payments are processed or held for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Santander needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on outgoing payments that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. As I'm sure Mr A understands this is needed not only to protect businesses against criminal activity, but also their customers. So I can't say Santander did anything wrong or treated Mr S unfairly when a payment to a new beneficiary was flagged by its automated system for a security

check.

I appreciate Mr A's frustration as he had anticipated the questioning – no doubt having been through this type of security check before – and so not wanting to go through this Mr A hoped he could just cancel the payment and that would be the end of the matter and the restrictions would be lifted. But not wanting to go through security and answer any questions in itself could be an indicator that there was something wrong with the payment. So I don't think it would be fair to expect Santander to abandon its security processes because Mr A doesn't want to go co-operate with this or it's an inconvenience. So I can't say Santander did anything wrong in insisting that Mr A answer questions about the payment before it lifted the account restrictions despite him wishing to cancel it.

Furthermore, I don't think Santander has acted unfairly or did anything wrong in refusing to lift the restrictions when it wasn't satisfied with the initial information Mr A provided about the payment because it still had - what I think - are legitimate concerns about the payment he was trying to make.

I've listened to the phone calls that took place between Mr A and Santander's representative and from what I heard in the initial call Mr A wanted to pay a person who was a "friend" who he had never meet and having only meet online a week earlier. The payment was for work carried out by this friend, Mr A hadn't seen the work in person but had seen photos and that the account details for payment with this friend were provided by someone else - a middleman who'd given them access to the property.

Santander's representative wanted Mr A to check with the friend – the payee - that it was their account details provided directly with them rather than the middleman which I think is reasonable as the account details hadn't initially been provided by the payee themselves.

It is after this point - and I think that Mr A will agree - where things started to go wrong. Mr A confirmed as requested that he'd spoken to the friend and that the payment details were correct. But when they repeated what was discussed previously there were some discrepancies and disagreements with what was said on both sides.

At this point Santander's representative had concerns that Mr A classified the person carrying out work to his property as a friend and had provided inconsistent information about how he met the friend whether online or over the phone and the conversation escalated into a disagreement. Having listened to the calls although I don't agree Santander's representative was threatening at all or disrespectful, I do think they could've handled the call better as it sounded like she'd lost her way a little bit in the script and Santander's processes and was flustered when Mr A wished to progress things and draw things to a conclusion.

However, there were inconsistencies about Mr A's relationship with the friend and so I don't think it was wrong for Santander's representative to refer the matter to its payments team in order to move things forward and seek a resolution to the matter. I appreciate from Mr A's perspective everything was legitimate, the work had been carried out and cross checked and he had no concerns but Santander's representatives can only make judgements on the limited information they are given by him and when that information is contradictory or doesn't make sense or they have any concerns, I don't think it's unreasonable for them to progress the matter as per the processes that Santander had laid down for an additional check to be on the safe side.

Following additional checks carried out by Santander's payment team in the background and after speaking to Mr A where Santander questioned him again about the payment for the work carried out and who was being paid – the questions of which I don't think were

unreasonable – Santander was satisfied it could lift the restrictions on his account.

I accept Mr A has been both distressed and inconvenienced by this and I think things could've gone more smoothly - on both sides - but I don't think this is a case where any compensation is warranted. Mr A still was still able to use his card and had access his funds and as the actions Santander took is allowed under its terms and conditions and is in-line with its regulatory obligations and ultimately, it took this action to protect Mr A's interests, so overall I don't think Santander have acted unreasonably or treated Mr A unfairly.

My final decision

For the reasons I've explained, I've decided not to uphold Mr A's complaint against Santander UK Plc.

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.

Caroline Davies
Ombudsman