

## **The complaint**

Miss A complains Santander UK Plc unfairly closed her accounts and has withheld her funds.

## **What happened**

Miss A opened two accounts with Santander in March 2024. The accounts were reviewed in early April 2024.

During the review the accounts were blocked, and Santander made the decision to close the accounts. In its notice to close letter dated 15 April 2024 Santander explained that it would continue to restrict Miss A's accounts and they would be closing in 30 days. It said any payments into the account would not be permitted and would be returned to sender. Miss A was also told she could withdraw any remaining funds by attending branch with identification. Miss A's accounts closed on 9 May 2024.

Miss A raised a formal complaint about Santander's handling of her accounts. Miss A said that funds into the account hadn't been sent back to the originator and had been transferred to another account she didn't recognise.

Santander reviewed Miss A's concerns and issued a final response letter on 15 July 2024. In its response it explained that in order to access the funds Miss A would need to attend branch with identification, and a utility bill dated within the last three months. Santander explained that this documentation would be referred to its Application Fraud team for review, and if the documentation is sufficient the funds will be released.

Miss A remained unhappy and asked our service to review her complaint. An Investigator reviewed the complaint, and in summary, made the following findings:

- As a regulated business Santander are under numerous legal and regulatory obligations.
- Santander's reasons for blocking Miss A's accounts are fair and in keeping with the account terms and conditions.
- Santander can decide who it wishes to have as a customer.
- Miss A will need to attend branch with the necessary documentation for the funds to be released. Although Miss A is experiencing health issues, Santander's requirements are reasonable.

Miss A remained unhappy and maintained Santander had acted unfairly in retaining her funds. 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 Miss A has had cause for complaint and the impact the account block and closure has had on her. I can see she feels strongly that she has been treated

unfairly as Santander hasn't released her funds. 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.

As a UK financial business, Santander is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Santander needs to restrict, or in some cases go as far as closing, customers' accounts.

Santander's review of Miss A's accounts led to its decision to close her accounts. In its notice to close letter Santander explained the accounts would remain blocked and would completely close within 30 days. Santander is entitled to close an account just as a customer may close an account with it. But before Santander closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the accounts, which Santander and Miss A had to comply with, say that it can close the accounts by giving her two months' notice. And in certain circumstances it can close an account immediately or with less notice. Given the blocks on the accounts Santander essentially closed Miss A's accounts with immediate effect. Santander has explained and given me information to show why it reviewed and closed Miss A's accounts with immediate effect. Having carefully considered this, I'm satisfied Santander took these actions in line with the obligations it must adhere to.

I know Miss A would like an explanation as to why Santander took these actions. But it isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses 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 we consider should be kept confidential. But I can assure Miss A that having reviewed it, Santander's decision to close Miss A's accounts was fair and reasonable in the circumstances.

A key concern for Miss A is Santander's decision to withhold the funds held within her account. Miss A says these funds haven't been sent back to the originator as detailed in the final response letter from Santander. I can see Santander have moved these funds to a holding account. In order for Miss A to reclaim the funds Santander has detailed the steps Miss A needs to take. This includes attending branch with the appropriate documentation.

Miss A has detailed her health issues, and I understand this means attending branch is particularly challenging. Miss A has my sympathy, and I am sorry to learn of the challenges her health presents. However, Santander has outlined its concerns to me in confidence regarding the accounts Miss A holds and considering these concerns I find its request for Miss A to attend branch with identification to be fair and necessary. I say this because Santander has regulatory duties to adhere to before the funds can be released, and it is imperative Santander complies with these before allowing Miss A access to the funds.

I appreciate Santander's actions has caused Miss A distress and inconvenience. I do appreciate this matter would've caused Miss A difficulty. The decision to close a bank account immediately can't be taken lightly given the impact it can have on a customer. Based on the information I've seen and the account terms I agree that Santander acted fairly in restricting the account and I can't see that it has caused any undue delay in its review. I understand Miss A is keen to access the funds within the accounts, and I would encourage her to liaise with Santander, and attend branch as soon as possible for the required checks to be carried out.

I know this will not be the outcome Miss A was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Santander to take any further action.

### **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 Miss A to accept or reject my decision before 22 April 2025.

Chandni Green  
**Ombudsman**