

The complaint

Mr F complains Santander UK Plc didn't investigate his fraud claim properly and closed his account. He's also unhappy about the service he received when calling Santander.

What happened

Mr F had a basic bank account, which he opened in 2021.

In March 2024, Mr F reported unauthorised transactions that had been made to the same merchant which I will refer to as J, to Santander.

Whilst it conducted its investigation Santander refunded Mr F the transactions he disputed. However, it later declined Mr F's fraud claim, but didn't re-debit the transactions as it didn't receive a response from J during its fraud investigations.

As part of its investigation Santander asked Mr F to provide evidence that the disputed transactions were not linked to an account he had with J, in his name, or linked to anyone in his household. Mr F said he wasn't happy to provide the information and felt Santander should get the information from J themselves.

Following this Santander decided to close Mr F's account. It wrote to Mr F on 15 March 2024, giving him 60 days' notice that he needed to make alternative banking arrangements. During the notice period Santander blocked Mr F's account. However, due to an error the account wasn't closed or blocked so Mr F continued to use the account. Santander issued a further notice to close letter in November 2024.

Mr F complained to Santander. He said he was promised a call back from a manager within 48 hours, but this never happened. He also said that Santander made mistakes investigating his fraud claim and he shouldn't have been asked to get information from J. Mr F also said Santander hadn't treated him fairly when it closed his account and hadn't followed the regulations relevant to the type of account he had.

In response, Santander acknowledged that its service had fallen short because a manager hadn't called him back within 48 hours. And apologised to Mr F. Santander said it hadn't done anything wrong when it asked Mr F to provide information about his relationship with J and said it had closed his account in line with the terms and conditions of the account. And relevant regulations.

Mr F wasn't happy with this response and brought his complaint to this service. An investigator looked into things and didn't think Mr F's complaint should be upheld.

The investigator said it was fair Santander had carried out an investigation into Mr F's fraud claim and closed the account. The investigator said the evidence showed Mr F had an existing relationship with J, which included IP use, mobile app authentication, and CHIP and PIN authorisations. So, it wasn't unreasonable for Santander to ask Mr F for more information about his existing relationship with J.

Mr F disagreed. He said it's not his job to investigate his fraud claim. And that Santander shouldn't have closed his account. He also said it's irrelevant if he had an existing relationship with J.

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.

The ombudsman service is an informal dispute resolution service. This means I have to be mindful of relevant legislation, but I'm not bound by it. I decide things on a fair and reasonable basis. And, as a general rule, it's fair for Santander to hold Mr F liable for transactions where the evidence suggests it's more likely than not, he authorised them.

When Mr F first raised the unauthorised transactions with Santander, the bank asked Mr F for information about his relationship with J. I think this was a reasonable decision to take in the circumstances. I say this because the payments were made to a merchant that Mr F regularly used so I can see why Santander would want appropriate evidence to show that a fraud had taken place. I can see that Santander have reimbursed Mr F the fraudulent payments, so I won't be asking Santander to do anything more.

I acknowledge in the calls with Santander, Mr F was left expecting a call back from a manager within 48 hours that didn't come. I can understand why this caused him frustration. But, whilst there were some minor issues in the service Santander provided here, I feel in general it dealt with Mr F's fraud claim fairly and reasonably, and I don't consider that any minor failings in the service it provided merit compensation. I can see that Santander has apologised for its service falling short, and I think this is a reasonable way to resolve this aspect of Mr F's complaint.

I'll next deal with Santander's decision to close Mr F's account. Mr S had a basic bank account with Santander, which he opened in January 2021. These types of current account are intended for people who don't have and don't qualify for standard current accounts. In order to be eligible for a payment account with basic features an individual shouldn't hold a payment account with any United Kingdom credit institution that has at least the features of a basic bank account.

When closing a basic account, along with the terms and conditions of the account, Santander also had to consider the provisions of the Payment Accounts Regulations Act 2015 (PAR's 2015). Amongst other things they set out when an account provider can close a basic bank account. Closure is only permitted in certain circumstances – one of them involves the conduct of the account and the way it is being run. Another reason is if the consumer has access to another payment account in the United Kingdom which allows the consumer to make use of services offered by a basic bank account and was opened after the payment account with basic features. And if the account hasn't been used for more than 24 months.

From looking at Mr F's basic account statement I can see that there are a number of transactions coming into the account from other accounts that Mr F appears to have – I've noted at least one other account. Because of this I'm satisfied that Lloyds closed Mr F's account fairly and it did so in line with the PAR's 2015 and terms of the account.

I note that Mr F has said that Santander closed his account immediately because Santander blocked his account – based on the notice to close letter that Santander sent Mr F in March 2024. However, Santander have confirmed that due to an error this didn't happen. I can also see that Mr F continued to use his account until Santander realised its mistake and issued him with a further notice to close in November 2024. So, it appears Mr F continued to have use of his account for a number of months until late 2024. So, I can't say Mr F suffered any detriment here as he continued to use his account normally.

In summary I realise Mr F will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I won't be telling Santander to do anything more to resolve Mr F's complaint.

My final decision

My final decision is I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 April 2025.

Sharon Kerrison
Ombudsman