

The complaint

Mr and Mrs S are unhappy with restrictions placed on their accounts by Santander UK Plc ('Santander') after they attempted to make payments towards an investment opportunity. They're also unhappy with the length of time it took for the issue to be resolved and for them to regain full access to banking services.

What happened

In early February 2024, Mr and Mrs S made a decision to invest in a company I'll refer to as C. They attempted to make two faster payments totalling £7,000 for the purpose of purchasing shares in C. However, these payments were blocked by Santander and restrictions placed on their account preventing access. Santander had concerns with C. Mr and Mrs S were subsequently required to attend a local branch in order to assist in having the blocks from their accounts removed.

Following this, Mr and Mrs S were led to believe all account restrictions were to be lifted. But found out upon returning home this was not the case, they were still unable to access their online banking. A complaint was then raised.

Santander upheld Mr and Mrs S's complaint on the grounds they were given a false expectation with regards to having full access to their account. In recognition of this and for the inconvenience caused, £250 compensation was paid as part of their apology.

Santander also confirmed at the time of writing (15 March 2024), the payments were still under review and further evidence was requested of Mr and Mrs S. They advised once this evidence was received, they would review it and a decision would be made on the next steps.

Mr and Mrs S's complaint was then brought to this service in early April 2024. At which time the issues around regaining full access to their account had yet to be resolved.

Our investigator didn't uphold Mr and Mrs S's complaint. They were satisfied Santander placed restrictions on their accounts for legitimate reasons in line with their account terms and conditions. And at the time of the complaint brought to this service, Santander's investigation was still ongoing, however Mr and Mrs S still had access to use their debit card, and having any direct debits and bills being paid as normal.

Mr and Mrs S disagreed. They questioned why they were being punished for their investment choice and they'd been advised by the CEO of C the underlying issues were likely as a result of another bank placing blocks on C's account. At that time (in May 2024), Mr and Mrs S still didn't have full access to their account.

In response our investigator maintained the outcome of their investigation with Mr and Mrs S requesting the case be considered by an ombudsman. They remained unhappy the issue regarding account access was unresolved after nearly five months and wanted access to be reinstated without delay.

But it wasn't until December 2024 when Mr and Mrs S were advised by Santander the account blocks had been lifted. However, Mr and Mrs S found this was not entirely the case and they were still unable to carry out online bank transfers.

One of our investigators was then a conduit between Santander and Mr and Mrs S in resolving the account access issue that remained. And on 4 February 2025, Mr S confirmed with another of our investigators the blocks had since been removed.

Our investigator reviewed Mr and Mrs S's complaint taking into account the events that had occurred after the original complaint was raised and whilst the case had been with this service. In doing so, he considered that on top of the £250 Santander had already paid in compensation to Mr and Mrs S, they should pay an additional £250 compensation. This was on the basis that the account access issues could have been resolved much sooner and with less inconvenience. But beyond this, our investigator remained satisfied that overall Mr and Mrs S still had access to their funds as they were able to send them to other accounts held elsewhere. And in the time the funds were held, the account earned interest.

Santander agreed with our investigator's findings, but Mr S disagreed. I've summarised some of the points Mr S raised below as:

- The account only accrued interest up to a cutoff point but the account held more than that for many weeks
- Their debit cards were unfrozen only after they contacted Santander to beg for access to their money
- It's difficult to use a debit card to move money between accounts and their new bank accounts didn't accept debit card payments.
- The blocks were in place for a significant period of time
- How Santander dealt with them at the start and their dishonesty has been ignored

Our investigator responded addressing some of the points raised. In response to the interest aspect, he said if the terms and conditions of the account set out when interest accrues, he couldn't ask Santander to pay interest on top of this. Furthermore, they were able to move funds into another interest-bearing account. That said, the fact Mr and Mrs S were able to move funds to another account – whilst inconvenient, they were still able to access their funds. Our investigator reiterated that he was in agreement that the blocks remained in place for too long which he felt was disproportionate and he recognised this in their favour with the recommendation for Santander to pay additional compensation of £250. But turning to the points raised regarding Santander's questioning of C, he wouldn't be asking them to pay additional compensation for this alone. Our investigator was satisfied with the additional compensation recommended, remained fair considering the complaint overall.

Mr S continued to disagree with our investigator advising he didn't accept their defence of Santander's conduct and he couldn't judge appropriate compensation, but he felt a clearer condemnation of Santander's behaviour was required, if only in order to ensure that others are not treated in the way they were.

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.

With regards to the background to this complaint, I'm satisfied it is well-known to both parties, so I haven't repeated it in the same detail that I've seen in the responses from the relevant parties. That's not to say those details haven't been taken into account as part of my considerations of this complaint. So while I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving

disputes with minimum formality. I'd like to assure both parties I've considered everything they have sent.

I must firstly highlight that Santander logged a complaint for Mr S on 1 March 2024. This resulted in their final response letter being issued dated 15 March 2024. Typically speaking and as far as the operation of this service is concerned, our investigations and considerations would be limited to the events that had occurred prior to the original complaint being raised and Santander issuing its final response. As such I seek to address this in the first instance.

Generally speaking, Santander should process the payments Mr and Mrs S instructs it to make without delay. However, banks and building societies have longstanding obligations to be alert to instances of fraud and scams and to act in their customer's best interest. And, if they have good grounds to suspect that their customer is in the process of being scammed, they can refuse to process a payment to try to protect them.

I can understand why Santander had concerns based on the information available at the time of the payment. Mr S also says he was also notified by the CEO of C about the underlying issues with what might have caused him the problem with his attempted payments being blocked by Santander in the first place. Mr S advises C has brought a complaint to this service. I cannot comment on this and I only seek to address the individual merits of Mr and Mrs S's complaint against Santander.

Based on what I've seen, I don't think Santander's initial decision to refuse the payment instructions or to block the accounts of Mr and Mrs S were unreasonable in these circumstances. I believe the initial decisions Santander took, were made in good faith and in an effort to protect Mr and Mrs S against losing their money to a potential scam. I'm also mindful that when Mr S attended the branch on 27 February 2024, Santander invoked the Banking Protocol which resulted in the Police attending to question him. Santander had a genuine concern based on the research it had carried out about C at the time and which it shared with Mr S. Therefore, I don't find it was necessarily *wrong* for Santander to take this action. Lastly, I'm also satisfied Santander's account terms and conditions which Mr and Mrs S agreed to, support the actions it took. As such I don't find Santander did anything wrong.

Santander do accept Mr S was given false expectations with regards to regaining full account access following his branch visit on 27 February 2024. For the inconvenience caused as a result of this, Santander paid £250 compensation as part of its apology.

Santander also confirmed at the time of writing the final response letter, the payments were still under review and further evidence had been requested of Mr and Mrs S. Santander advised once this evidence was received, it would be reviewed and a decision made on the next steps.

In so far as the complaint that was first brought to this service and the events considered up until Santander's final response, I'm satisfied Santander's resolution was fair and reasonable. Therefore I won't be asking it to do anything further in respect of that complaint.

I now turn to events that occurred after Mr and Mrs S' complaint was brought to this service and the length of time the account blocks remained in place. Prior to my decision, I wrote to Santander to advise that I was intending to comment on these further events as I'm mindful our investigator up until this point had done so. As a matter of courtesy I asked whether it was agreeable to this – in response it confirmed it was.

Mr S continued to engage with Santander after the resolution of his initial complaint. This was in relation to the account limitations that continued to be in place. But ultimately an

impasse was reached. Santander kept the account limitations in place for a significant period of time and my view is that they let the matter go on for too long without resolution. There was a period between May and December 2024 where no update was offered by Santander. It appears it was only when Mr S initiated contact with Santander in December 2024 that a decision was made to remove the outstanding account limitations. But I don't think that Santander should have allowed this to continue for so long without resolution and I'm not satisfied this was a reasonable course of action.

That said, I have also considered the fact that whilst Mr and Mrs S had account limitations in place, they didn't lose complete access. They were still able to operate their accounts. Direct debits and standing orders were paid, credits were received and Mr and Mrs S could still use their debit cards. And that would have limited the day-to-day disruption. Furthermore, even with limitations in place, the disruption this caused was limited further as Mr and Mrs S were able to circumnavigate the restrictions by moving funds to accounts held elsewhere through use of their debit card instead.

I consider that, by failing to proactively progress things in any way Santander did contribute to Mr and Mrs S having full functionality of their accounts for an extended period of time. With this in mind, I'm satisfied that, in the circumstances of this complaint, Santander didn't treat Mr and Mrs S fairly. And so I think Santander should compensate Mr and Mrs S for the distress and inconvenience caused. Our investigator recommended further compensation of £250 and, in the circumstances of this complaint I consider that to be a reasonable amount.

Putting things right

To resolve this complaint Santander UK Plc should pay Mr and Mrs S a further £250.

My final decision

I uphold this complaint. Santander UK Plc should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 15 August 2025.

Mark O'Connor
Ombudsman