

## **The complaint**

Mr S complains that Santander UK Plc acted unfairly when it blocked and closed his accounts.

## **What happened**

Mr S was a long-standing customer of Santander having had a current account and savings account with the bank since the late 1990's.

Mr S has explained that he is self-employed and used the accounts to send money to his mother who lived overseas and to help others financially.

In October 2024, Santander reviewed Mr S's accounts as part of its Know your Customer (KYC) process. As part of its review Santander sent Mr S an email and asked him to send them his last two years HMRC tax returns and to explain a number of transactions on his account. Whilst it completed its review Santander blocked Mr S's accounts.

Mr S called Santander after receiving their email. He explained that the accounts were his sole accounts and very important to him. And that the cash being deposited into his account was money that he'd lent to others that had been repaid. Santander recorded the information and explained that it still needed Mr S to provide his HMRC tax returns as part of its KYC process. Santander also asked Mr S if he paid tax in any other country.

Mr S told Santander that he hadn't submitted any tax returns because he hadn't been able to obtain a national insurance number since moving to the UK, but he said he would try and sort this out so that he could submit a tax return. Mr S also told Santander that he paid tax overseas. Santander told Mr S that he could upload the outstanding information via the email it had sent to him. However, Mr S didn't provide the HMRC tax information. Following this, in November 2024, Santander decided to close Mr S's account and sent him cheques for his closing balances.

Mr S complained about the closure of his accounts. He told Santander that his mother had died, and he felt Santander's actions had contributed to her death because he hadn't been able to send money to pay for her medical costs. He also said that Santander had given him the impression he had much more time to submit the information it had requested.

Santander apologised for any inconvenience the blocks and closure had caused Mr S but said it had followed its KYC processes. Santander explained that it needed the information to comply with its legal and regulatory obligations which require it to have up to date and accurate information about its customers. But Mr S hadn't been able to provide the information.

Mr S brought his complaint to our service where one of our investigators looked into what had happened.

The investigator reviewed all of the evidence and said Santander hadn't done anything wrong when it had blocked Mr S's accounts and asked him to provide it with information about her income, tax obligations, and activity on his account. He was satisfied that the bank was following its processes and asking for the information to comply with its legal and regulatory obligations. So, he didn't think Santander had treated Mr S unfairly.

Mr S disagreed with the investigator's view and asked for an ombudsman to review his complaint. He also sent the investigator his overseas tax returns. And said that he was under the impression from Santander that he had between three to four months to submit he information. To put things right he wants Santander to reopen his accounts.

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.

I'm very aware that I've summarised Mr S's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

As the investigator has already explained, Santander has extensive legal and regulatory responsibilities they must meet when providing account services to customers. Santander asked Mr S to provide information about his income which included them asking him to provide his tax returns for the last two years, and how he was using his accounts because Santander are obliged to adhere to the regulator – the Financial Conduct Authority (FCA), Know Your Customer (KYC) responsibilities.

Santander is entitled and obliged to carry out such checks. This applies to both new and existing customers regardless of how many years a customer may have banked with Santander. The terms of Mr S's accounts also permit Santander to review an account and ask a customer for information.

I appreciate that Mr S may have felt some anxiety, upset about providing Santander with detailed information about him and his finances. Especially as at the time Mr S was coping with his mum being seriously unwell. And her sadly her eventual passing. So, I can understand that at the time Mr S was going through a very difficult time in his life. But whilst Mr S has my deepest sympathy for the loss of his mother, it wouldn't be fair to say Santander are to blame for Mr S's bereavement.

Mr S didn't comply with Santander's requests to provide documentation about his income and tax status. I've listened to the calls Mr S had with Santander. During a call with Santander on 10 October 2024, Santander clearly explained what it needed him to provide and why it needed the information from him. And asked him if he paid tax overseas as well as in the UK. Mr S told Santander that he hadn't filed any self-assessment tax returns in the UK because he hadn't been able to obtain a national insurance number. But he said he would continue to try and get one and submit a return, which he'd then be able to provide. The advisor said it would pass the information onto to the relevant KYC team.

I know Mr S says he believed he had between three and four months to submit the information. But I've not seen any evidence that would have given Mr S that impression. After trying to get the information in early October 2024, Santander spoke to Mr S on at least three occasions. And decided to close Mr S's accounts on 5 November 2024. So, overall, I'm satisfied that Santander gave Mr S just over a month to provide the information, which I think is more than a reasonable amount of time.

As Santander are obliged by the FCA to carry out ongoing KYC checks to protect accounts from identify theft, fraud, and financial crime, if they don't receive the necessary information that they request to allay those risks, I do not consider blocking and closing Mr S's accounts is a disproportionate measure for Santander to take. It's clear to me from looking at all the evidence, which includes listening to the phone calls Mr S had with Santander, that Mr S wasn't going to provide Santander the information it wanted. So, I don't consider Santander treated Mr S unfairly.

In November 2024, following its review of Mr S's accounts, which included Mr S not providing information, Santander wrote to him to explain it would be closing his accounts immediately.

The terms and conditions of Mr S's accounts confirm Santander can close the account immediately under certain circumstances. And by providing two months' notice. I believe, considering what happened in this case as detailed above, it was reasonable for Santander to close Mr S's account with immediate effect. So, I've seen nothing to suggest Santander's decision around closing Mr R's accounts was unfair. I understand this will have caused Mr S a level of inconvenience, but I don't think Santander should compensate him for this given the reasons for closure. And I won't be asking Santander to reopen Mr S's accounts.

In summary, I'm satisfied that Santander fairly applied its KYC processes when it asked Mr S for information and blocked her accounts. I think Santander's communication was reasonable and it treated Mr S fairly in taking action to discharge its regulatory obligations. I know Mr S 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 to resolve Mr S's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 May 2025.

Sharon Kerrison  
**Ombudsman**