

The complaint

Mr R is unhappy Santander UK Plc (“Santander”) closed his accounts without any explanation.

What happened

Mr R applied for a current account and ISA on 1 May 2024. The accounts were opened but shortly after, Santander asked Mr R for some additional information, which he provided. Santander subsequently decided to close the accounts without any notice on 29 May 2024.

Mr R is unhappy with the lack of explanation given for the closure and feels, due to the questions he was repeatedly asked by Santander around his nationality, the closure was a result of discrimination. He feels he has been treated unfairly and that Santander’s handling of the matter has been unprofessional and discriminatory.

Mr R says the closure severely impacted his financial situation and professional reputation. He’s explained he’d given the account details to his new employer so they could pay his wages into it, but as a result of the closure, he’s faced significant financial distress as he was unable to receive his salary. He did have accounts elsewhere so was able to redirect his wages, but only after a delay of several weeks. In addition to this, he says his employer indicated they would need to investigate him for potential criminal behaviour. He told us that the stress from the situation became so overwhelming that he had to resign from his position.

Mr R also says Santander’s actions have impacted his ability to access banking services in the UK. He explained that the closure of a bank account without explanation can create a misleading and damaging impression, as financial institutions may assume he is engaged in unlawful activity.

In its final response to Mr R, Santander explained that it had adhered to the terms and conditions of the accounts when closing them and said it hadn’t discriminated against him.

Mr R referred his complaint to our service. As a result, Santander took another look at the complaint and offered to pay Mr R £500. It explained that whilst it was satisfied the closures were fair and non-discriminatory, it should have given Mr R notice and communicated with him more clearly. Mr R didn’t accept the offer and asked the investigator to look into matters.

Our investigator asked Mr R some questions about the impact the closures had on him, specifically around the fact his employer said it would need to investigate him. Mr R wasn’t happy to provide anything further than he already had.

Our investigator upheld Mr R’s complaint. She concluded that Santander should pay Mr R £500 compensation, but not for the same reasons as Santander. She explained that she wasn’t satisfied with Santander’s explanation of why it closed Mr R’s accounts, and whilst she explained that this service isn’t able to say whether Santander breached the Equality Act

2010, she wasn't satisfied it had treated Mr R fairly. She believed £500 was a fair and reasonable amount for the distress and inconvenience caused to Mr R, and in lieu of any new evidence from him as to the impact.

Mr R disagreed saying that the dignity and fair treatment of individuals can't be brought with money. Instead, he wants an explanation from Santander as to why it closed the accounts, as well as an apology for its discriminatory and unjustified actions and a reference letter.

Because Mr R disagreed, the complaint has been referred 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.

Santander has a wide range of legal and regulatory obligations it must meet when providing account services to its customers. To comply with these obligations, it may need to review accounts. Sometimes these reviews will lead to the accounts being closed. If Santander didn't do this, it could risk serious sanction.

But if a financial institution chooses to close an account, it should do so in line with the terms and conditions of the account and its reasons should be legitimate, fair and non-discriminatory.

Santander isn't under any obligation to reveal to a customer why it closed an account. This information is often commercially sensitive. So, whilst I appreciate Mr R's frustration at not knowing why Santander took the action it did, I don't think Santander did anything wrong in not communicating its reasons for closing the account to Mr R. Santander has however shared its reasons for the closure with this service. It wouldn't be appropriate for me to share this, for the same reasons mentioned. But I hope that it helps Mr R to know that someone impartial and independent has looked into his concerns. And having done so, I'm not satisfied with the reasons Santander has given for the closure. So, I don't think it closed Mr R's account fairly.

Mr R says he feels Santander has discriminated against him by closing his account. I can understand why he feels this way – especially given the questions he was asked. The role of this service isn't to decide whether Santander has breached the Equality Act 2010, only a court can do this. But having taken everything Santander told us into account, I don't believe it acted fairly towards Mr R.

So, I'm in agreement that Santander has made an error and as a result, should pay Mr R compensation for the impact the closures had on him. I appreciate Mr R's main concern is Santander providing a reason for the closure. As explained above, this isn't something I am going to disclose. But I think compensation should be paid and £500 is fair in the circumstances.

In reaching this decision, I've taken into account the available evidence Mr R has provided to demonstrate the impact Santander's actions have had on him. I can see it impacted him both emotionally and financially. It is undoubtedly upsetting for Mr R to feel he is being discriminated against due to his nationality. It would also have been inconvenient for him to rearrange his salary payment. And it's clear he spent time and effort trying to communicate with Santander after the closures to find out why they had happened. But I've also considered that Mr R has accounts elsewhere and so he was able to redirect his wages there and continue to bank with those accounts.

Putting things right

In order to put things right Santander should pay Mr R £500.

My final decision

My final decision is that I uphold Mr R's complaint against Santander UK Plc and direct it to pay him £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 7 July 2025.

Sarah Brimacombe
Ombudsman