

The complaint

Mrs A complains Santander UK Plc made her feel like a criminal and caused her considerable distress and inconvenience.

What happened

Mrs A has an account with Santander and has done so for over 20 years.

Mrs A says she went into branch on 22 February 2025 to make a withdrawal, couldn't do so and was told her account had been blocked for suspected fraud. Mrs A says that everyone in the branch was looking at her, that it was humiliating and it caused her considerable distress. Santander removed the restrictions on 26 February 2025 but didn't notify her. Mrs A complained saying, amongst other things, that she felt she'd been racially profiled.

Santander looked into Mrs A's complaint and agreed that its service had been poor. Specifically, that it had contacted her until 24 February 2025 to say her account had been restricted – after she'd already found out in branch – and due to a technical issue had not told her when the restrictions were removed. Santander offered £50 in compensation. Mrs A was very unhappy with Santander's response and so complained to our service.

One of our investigators looked into Mrs A's complaint and said that Santander hadn't done anything wrong restricting her account but hadn't communicated as clearly as it should have done. They agreed that this had caused Mrs A distress for which £50 was fair compensation. Mrs A disagreed and mentioned, in particular, a call that she had with an agent who had again said Santander had notified her of the restriction straightaway. She asked whether Santander and our service had taken that call into account. Our investigator asked Santander for a copy of the call in question – having seen notes of the call already – and having listened to it said that the agent had handled the call well and with empathy but they could hear Mrs A's distress. Mrs A asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, referred to me.

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.

Mrs A has told us that she understands banks have to carry out checks from time to time. She's right – they do. This was, unfortunately, one such occasion and it meant that Santander placed restrictions on Mrs A's account on 21 February 2025. Santander has also accepted that it didn't send Mrs A any notification that it had done so until 24 February 2025. Unfortunately, that meant that Mrs A discovered her account had been restricted when she went into branch on 22 February 2025 to make a withdrawal. It's clear from what she's told Santander and us that this was a humiliating experience, particularly given that she's been a customer of Santander for over 20 years. I appreciate that Mrs A feels she was racially profiled. I can, however, say that I've seen nothing to suggest that this was the case. Santander asked Mrs A for documentation about a payment she'd received months before and the same day this was received the blocks were lifted.

In this case, Santander has offered £50 in compensation having accepted that Mrs A received poor service at the beginning and the end. Having her account restricted was clearly very distressing. In a case like this, it wouldn't be right to award compensation for that as Santander was carrying out a check it had to. Nor, therefore, would it be right to award compensation for the distress that caused. I do, however, agree that Santander made a very distressing situation more distressing because of poor service. That additional distress does need compensating. I can't, however, say that the £50 that Santander has offered is unfair or unreasonable as the vast majority of the evident distress Mrs A suffered – and still does – was as a result of the restrictions and how they made her feel rather than delays with notifications. I nevertheless hope Mrs A can put what was obviously a highly unpleasant experience behind her.

My final decision

My final decision is that Santander UK Plc doesn't need to do more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 29 August 2025.

Nicolas Atkinson
Ombudsman