

## The complaint

Mr M complains that Santander UK Plc ('Santander') blocked and closed his account. Mr M is also unhappy with Santander's customer service and says it failed to communicate effectively with him.

Mr M adds that he feels Santander has discriminated against him because of his nationality.

## What happened

Mr M had a current account with Santander. Towards the end of August 2024, Mr M received three payments from three different payers, amounting to £5,000. Mr M then transferred the funds to an account in his name with a different provider, shortly after they were received.

Santander restricted Mr M's account and contacted him in August 2024, to ask Mr M some questions about the payments and what they were for. Mr M explained the funds were received from a foreign exchange company and were for his cousin, who is an international university student in the UK. He said his cousin's mother lived abroad and had sent the funds to an account in the country she resided in. And the foreign exchange company then arranged for the funds to be credited to Mr M's Santander account. Mr M said he had transferred the funds on from his Santander account to his accounts with two external providers before the funds were eventually credited to his cousin's bank account.

Mr M encountered some difficulties with uploading the evidence he wanted to share with Santander regarding his entitlement to the funds but eventually provided screenshots of conversations with the exchange company and his cousin. Mr M told Santander the conversations weren't in English, but Mr M says he was asked by Santander to provide them anyway.

Santander asked Mr M if he could provide the account statements from the payers who'd sent him the funds. But Mr M said this wasn't something he could obtain, and the payments were arranged by the foreign exchange company – so Santander should investigate the company if it had any concerns about where the funds had come from. Mr M said he was acting in good faith and hadn't done anything wrong. And he wanted Santander to disclose exactly why his account was being reviewed.

Mr M complained to Santander because he was unhappy that Santander didn't get the evidence he provided translated, whilst his account was under review. And he felt that Santander had given him misinformation when discussing the evidence required to prove Mr M's entitlement to the funds.

Santander issued a final response, at the beginning of September 2024 and explained the evidence Mr M had given to Santander was deemed insufficient. An apology was also offered for any misinformation Mr M was given, and £50 compensation was awarded as a gesture of goodwill, which Mr M declined.

Mr M made a further complaint to Santander in September 2024 because he didn't feel Santander was providing him with sufficient updates or communication regarding the block on his account. And when he'd asked to speak to the person who was reviewing his account, he was unable to do so. He said he was promised a call back, which didn't happen. Mr M said the situation was causing him significant worry and distress.

Santander issued a further response to Mr M's complaint and explained it had legal and regulatory obligations it needed to follow which could require it to withhold transactions or services, or block accounts. And that Santander could request evidence to support payments into an account. Santander advised it couldn't provide Mr M with an exact timescale for the review but would aim to deal with the matter as soon as possible. Mr M was notified by Santander at the end of October 2024, that his account would be closed in 30 days and the block on his account would remain until then. The letter instructed Mr M on how to withdraw the remaining funds from his account.

Mr M complained to Santander about the closure of his account and concerns that the closure could affect his future applications for financial products. Santander issued a final response in November 2024. In summary, it said:

- Santander was unhappy with the explanation Mr M provided, regarding the three credits that entered his account, so a decision was taken to withdraw Mr M's banking facilities
- The details of Santander's decision had been recorded on relevant systems and may be visible to other organisations. If Mr M submitted an application in the future and was unhappy with the outcome, he should discuss it with the company the application was submitted to
- Taking into account all the evidence available, the decision to close Mr M's account wouldn't be overturned

Mr M referred his complaint to our service. He explained he was unhappy about the block and closure of his account and lack of explanation from Santander regarding why it took the actions it did. Mr M considered that the only remaining explanation could be that Santander may have discriminated against him because of his nationality and due to the fact that the UK has applied sanctions on his country of origin. Mr M was also concerned that an adverse marker may have been applied against him by Santander.

Mr M reiterated that he was unhappy with the service and communication he received from Santander whilst the account review was ongoing. He also had concerns about the way his complaint and request for his data was handled. Mr M says the CD format that the call recordings were provided to him on was outdated and he wasn't provided with a password to listen to the calls – so he felt Santander were being obstructive and making it difficult for him to access the recordings.

Mr M said the funds remaining in his account hadn't been returned to him and he had been told to visit a branch to withdraw them, despite Mr M stating he'd previously been advised he could withdraw the funds via his mobile banking app.

One of our Investigators looked into things and didn't uphold the complaint. In summary, they said:

- Banks are entitled to restrict accounts to comply with their legal and regulatory obligations, and they don't need to provide a reason or prior notice
- Although 30 days' notice was provided prior to the account being closed, it was in effect an immediate closure because the account was blocked. Santander hadn't made an error in closing the account in this way and whilst it was frustrating for Mr M

to have to go to a branch to withdraw his funds, this was the only way he would be able to do so

- Santander hadn't placed any external fraud markers against Mr M
- Mr M's concerns regarding being discriminated against had been considered and there wasn't any evidence to suggest Santander had treated Mr M in a discriminatory way
- Mr M had mentioned a range of service-related issues about Santander, including unreturned phone calls and Santander not translating some of the evidence Mr M provided. Our service had the evidence translated and it didn't change the overall outcome of the complaint
- Santander wasn't obliged to provide updates regarding account restrictions and reviews
- Mr M said he'd waited to speak to Santander for lengthy periods when trying to get in touch over the phone and he felt that he'd received poor service, but it wasn't appropriate to award compensation for these points in the circumstances
- Santander's notes indicated that Mr M had refused to receive the password for the calls to be listened to on the CD he was sent, so Mr M would need to pursue this issue with Santander if he still required access to the calls

Mr M disagreed. He mentioned that he didn't think the complaint handler who reviewed his case at Santander understood his case and his request for a different case handler to be assigned was dismissed. Mr M said he had been told he would be able to log on to his mobile banking app to withdraw the funds but later told he needed to go to a branch to withdraw them – this inconsistency had caused Mr M's funds to be inaccessible for months and he wanted compensation for the inconvenience and distress caused.

Mr M added Santander's staff had previously said that information from its system would be visible to other banks and if this was the case, it was deeply concerning and affected Mr M's reputation. Mr M maintained he wasn't provided with the calls he requested in a more user-friendly format than a CD when he asked for this from Santander and he'd also made a request for a list of all the complaints he had made and their dates but this hadn't been provided.

Our Investigator issued a second outcome and in summary, they said:

- Santander wasn't obliged to assign Mr M's case to a different handler and Mr M had the option to refer his complaint to our service if he disagreed with the outcome of the complaint
- Although Santander had confirmed a fraud marker wasn't registered against Mr M, it didn't mean Santander needed to provide an explanation as to why it restricted Mr M's account
- Mr M had pointed out a number of service failings he considered Santander to have made and conflicting information he said he received about accessing his funds following the closure of his account, but it wasn't always appropriate to award compensation, even if a customer was negatively impacted due to a failing by a financial institution. So, Santander didn't need to take any further action

As no agreement was reached, the matter has been passed 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 the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed 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 argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr M and Santander have said before reaching my decision.

Having done so, I have decided not to uphold this complaint. I understand this will be disappointing for Mr M, so I'll explain why.

#### *Account review*

Banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. This can mean that on occasion, they need to review the accounts of their customers.

I'm satisfied Santander was complying with the terms and conditions of the account, and its wider obligations, when it decided to review the payments Mr M received into his account in August 2024. And when it asked Mr M for additional information. I would add too, that Santander is under no obligation to tell Mr M the reason behind the review and why it required the information it asked for.

I recognise Mr M was frustrated that Santander didn't translate some of the evidence he provided to it. I've reviewed the information, and we've had it translated – having looked at the evidence carefully, I don't think it would've changed things. Santander was acting within its remit to block Mr M's account and the evidence Mr M provided wasn't sufficient to remove the account block.

#### *Account closure*

Santander is entitled to close an account, just as a customer may close an account with it. But it must do so in a way that adheres to the terms and conditions of the account. The terms and conditions of the account says that Santander can close the account by giving Mr M at least two months' notice. And there are also certain circumstances, where the account can be closed immediately or without notice.

One of the reasons mentioned in Santander's terms regarding when it can close an account immediately is if Santander reasonably believes that the account has been used for '*looking after someone else's money when you haven't agreed this with us*'. Mr M has explained the funds he received into his account were intended for his cousin, so I find Santander acted reasonably in closing Mr M's account without providing notice.

I acknowledge Mr M might like Santander to provide the reasons for its decision to close his account. But Santander is not obliged to provide this information to Mr M.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Santander has provided is information that I consider should be kept confidential.

I understand Mr M is concerned the closure of his account might lead to difficulties in the future, should he make applications for financial products. I haven't seen any evidence to suggest Santander has recorded any external adverse fraud markers about Mr M here.

### *Discrimination*

Mr M says he feels he has been discriminated against by Santander due to his nationality. I've thought carefully about this, and I want to make clear I do not doubt how genuinely Mr M feels about this matter or the upset it's caused him.

While I appreciate this is Mr M's perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr M has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Mr M was treated unfairly and I'm satisfied the actions of Santander were to comply with its regulatory obligations.

### *Communication and service*

Mr M feels strongly that the overall service he received from Santander was poor, there was a lack of communication, and he was treated unfairly. I've considered Mr M's arguments around this, together with the comments Mr M has made about the difficulty he's encountered in accessing data he requested that was sent to him on a CD. And the point he's made about what he was told regarding the withdrawal of the remaining funds in his account.

Even if I found that Santander had done something wrong in relation to the service and communication Mr M received, I wouldn't award Mr M any compensation as I don't find it would be appropriate here. I understand Mr M would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Whilst I appreciate Mr M doesn't want to attend a Santander branch to withdraw the funds in his account due to the inconvenience it'll cause him, this is Santander's process and he may wish to do so in order to obtain the balance remaining in his account. I also haven't seen any compelling reason as to why Santander should make adjustments to its standard process which allows a secure way of defunding an account.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 November 2025.

Khadijah Nakhuda  
**Ombudsman**