

## **The complaint**

Mrs N and Mrs W complain that Santander UK Plc (Santander) blocked their joint account, without telling them. They say the block was unnecessary and they received poor customer service when they raised the issue with Santander.

## **What happened**

Mrs N and Mrs W hold a joint account with Santander. In November 2024 Mrs W tried to use her debit card in Malta (where she resides), but the payment was declined. Mrs N called Santander to find out why the transaction was declined, and she was informed that a block had been put on the account.

Initially Mrs N and Mrs W weren't told why there was a block on the account, but eventually they were informed it was because Santander had received returned post that had been sent to Mrs W in Malta, so they needed to verify her address.

Both Mrs N and Mrs W complained to Santander and asked what they needed to do to remove the block. Mrs W was informed she'd receive a letter in the post explaining next steps. Santander did arrange to temporarily remove the block so Mrs W could make the initial payment that was declined. But they put the block back on afterwards.

Santander issued a final response letter that explained they needed to talk with Mrs W directly before any post could be sent to her. They also confirmed that once the issues had been resolved with the returned mail block a letter would be sent to Mrs N and Mrs W confirming next steps.

Mrs N and Mrs W contacted this service, as they remained unhappy with Santander's response, and the issue was still ongoing. One of our Investigators started to consider the matter. While he was obtaining information from Santander, Mrs N informed him that she and Mrs W had spoken with Santander and the block had been lifted, the funds had been transferred out and the account was due to be closed. However, Mrs N confirmed that they still wanted their concerns to be investigated, in particular the poor service they'd received and the conflicting information they were given.

The Investigator considered the matter. He thought that Santander had given Mrs W sufficient notice that they required important information from her, otherwise they'd need to restrict the account. Because they didn't receive this, they put a block on. He was satisfied they hadn't acted unreasonably in doing this. However, he did think the customer service and information provided to Mrs N and Mrs W could've been better. He recommended that Santander pay £200 for the distress and inconvenience caused.

Mrs N and Mrs W disagreed with the outcome and provided further information. They said that Mrs W provided information for the 'Know Your Customer' questions and that wasn't the reason for the block. They also said that the compensation didn't fairly reflect the distress and inconvenience caused.

Santander accepted the recommendations made by our Investigator and confirmed that

returned mail in October 2024 triggered a further 'Know Your Customer' review. It was this which caused the block on the account.

The investigator had some further contact with Mrs N and Santander about the case and tried to mediate. But Santander confirmed that they were happy to pay £200 for the distress and inconvenience caused but were satisfied that they didn't do anything wrong with regards to blocking the account and didn't think further compensation was warranted. The investigator re-iterated that he thought this was a fair way to resolve things. Because an agreement couldn't be reached, the complaint has been passed to me to consider.

### **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.

Having done so, I've reached the same conclusion as the Investigator for broadly the same reasons.

I'd like to reassure Mrs N and Mrs W that I have had access to the full file, including all the emails they have sent to this service and the conversations they've had with the investigator – including the most recent ones about the impact this situation has had on them and whether more compensation should be awarded.

Whilst, I have reviewed everything, I may not comment on each point made by Mrs N and Mrs W. I mean no discourtesy by this - my role is to consider complaints in the round, decide what the crux of the complaint is and decide if a business has treated the customer fairly and reasonably. I've explained my findings below.

### **The block on the account**

UK regulated banks must hold up to date information and records about their customers. In this case, this information was requested as part of Santander's 'Know Your Customer' reviews. This is a regulatory obligation for UK regulated banks like Santander, implemented by the Financial Conduct Authority (FCA).

I'm aware there were some issues with Mrs W providing the correct address details as part of a previous 'Know Your Customer' review in September 2024. Santander have provided templates of text messages and letters that they say would have been sent at the time informing Mrs N and Mrs W about the steps they might take if they do not receive the correct information. However, it looks like from Santander's system notes, that these issues were resolved during a telephone call with Mrs W at the end of September 2024.

Santander has confirmed that when they received returned mail in October 2024 from Mrs W who resided in Malta, this triggered a further 'Know Your Customer' review and a block being placed on the account.

Where there is a dispute about what happened, or limited information, I must make my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened based on the available evidence.

I think it's most likely that because there had been some issues with Mrs W providing information in September 2024 (relating to her address) and then subsequently there was returned post, that Santander took steps to apply the block and awaited contact from Mrs N and Mrs W to explain what information was required to remove the block. I think Santander acted reasonably in applying the block as a precautionary measure.

Whilst, I understand Mrs N has said Mrs W hasn't moved address and so it is unclear why post would've been returned. Santander isn't responsible for the delivery of international post, so there could be several reasons why the post was returned as undelivered.

I understand both Mrs N and Mrs W said they weren't informed about the block at the time it was placed. But Santander couldn't write to Mrs W because they were concerned they held the wrong address details following the returned post, and they needed her to verify it. I understand this might've been frustrating and inconvenient for Mrs N and Mrs W, but I'm satisfied this was a necessary step to protect the account.

It follows that I do not think Santander did anything wrong in applying the block and I think the letters that were sent in September 2024 put both account holders on notice of what might happen if Santander didn't hold up to date or accurate information about them.

### **The customer service issues and compensation**

I'm aware Mrs N and Mrs W are seeking compensation in the region of £1500 (£750 each) for the distress and inconvenience caused. Mrs N has provided details of the impact this situation has had on her and Mrs W. She's said that she had to visit her local branch a couple of times to try and sort the issues. They had to manually change Mrs W's pension payments to her Maltese bank account as she hadn't received any since Oct 2024 – which was a lengthy and time-consuming process. And on multiple occasions they were given incorrect information about what would be happening next or whether letters had been sent to Mrs W. Mrs N has also explained that the block meant the account couldn't be used as it was intended and Mrs W struggled without access to her funds.

It might be helpful to explain that we award modest amounts of compensation, when considering the impact an error has had on a consumer. And where there is a joint complaint, we tend to award a total amount of compensation, considering the impact on both parties – not individual awards.

Santander has accepted that there were some customer service failings when dealing with both Mrs W and Mrs N. But they have also said that it was Mrs W's choice to continue banking with a UK based company, while residing in Malta.

As explained above, I'm satisfied that Santander were entitled to block the account while it awaited information from Mrs W about her address. So, I do not think compensation needs to be awarded for this. However, I do agree there has been some customer service failings when Mrs N and Mrs W tried to sort the issue. They were passed from department to department and were given misinformation several times about the block, why it had been applied and what steps needed to be taken to remove it.

The investigator recommended £200, and I think this amount is fair and reasonable in the circumstances. I appreciate this isn't what Mrs N and Mrs W were hoping for, but I do think a lot of the inconvenience was caused because Mrs W was residing in another country, which I can't say is the fault of Santander. This added a further complication to the matter and meant the issue couldn't be sorted as quickly and promptly as both parties would've liked.

I understand the block was lifted in December 2024, because Santander agreed as an exception to lift it after having a conversation with Mrs N and Mrs W together. They didn't have to do this, but I'm glad it was able to resolve the issue.

I understand Mrs N and Mrs W were told Santander had made the decision to close the joint account after they discussed the matter in December 2024. If this isn't the case and it remains open – I'd suggest Mrs N and Mrs W contact Santander to either close the account

or confirm whether they can continue to use it – if they wish.

### **Putting things right**

Santander UK Plc should pay £200 compensation to Mrs N and Mrs W for the distress and inconvenience caused.

### **My final decision**

For the reasons I've explained above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N and Mrs W to accept or reject my decision before 24 October 2025.

Rachel Killian  
**Ombudsman**