

## The complaint

Miss P complains that Santander UK Plc ('Santander') unfairly closed her basic and savings accounts.

## What happened

Miss P had a basic and savings accounts with Santander. In addition, she also held kids savings accounts for her children.

Santander wrote to Miss P in November 2024 and gave her 60 days' notice to close her accounts. It explained that Miss P's accounts were blocked, so direct debits wouldn't be paid, and she'd need to visit a branch to withdraw funds from her accounts or ask Santander to transfer them, over the phone. All the accounts were eventually closed between January and February 2025.

Miss P complained to Santander about the closure of her accounts. She explained she had a CIFAS marker loaded against her by another bank in error, but it had been removed.

Santander issued its final response to Miss P's complaint in February 2025. It explained that whilst the CIFAS marker had been removed, its decision to close Miss P's account remained and Santander had the right to withdraw banking facilities.

Miss P got in touch with Santander again and it issued a further response, in March 2025. Santander reiterated that its position regarding the closure of the account remained unchanged and that it wouldn't be able to re-open Miss P's account.

Miss P referred her complaint to our service. One of our Investigators looked into things and upheld the complaint. In summary, they said:

- Under the relevant regulations, there are only certain circumstances that a basic bank account can be closed, and those circumstances didn't apply when Santander closed Miss P's account, so it hadn't acted correctly
- Santander was within its rights to close the remaining accounts Miss P held. Santander had confirmed that Miss P was now free to re-apply for an account with the bank if she wished to
- It wasn't fair that Miss P's basic account was blocked during the notice period by Santander. Her benefits were paid into the account and Miss P was granted access to her funds either by going into branch or having the funds transferred to another account of hers
- Having considered the impact of the account block on Miss P and that she'd needed to redirect direct debit payments that were usually paid from Miss P's Santander account, Santander should pay Miss P £200 compensation for the distress and

inconvenience caused, particularly as her accounts were blocked over the holiday period

Santander disagreed. It considered that Miss P's accounts had been correctly blocked and closed in line with its terms and conditions and wider legal and regulatory obligations.

Our Investigator considered the additional points raised by Santander and issued another outcome. They explained that under the Payment Account Regulations 2015 (PAR's), there were certain circumstances in which a bank could close a basic bank account, but they didn't think those circumstances applied in Miss P's case. So, Santander unfairly blocked and closed Miss P's basic account.

Santander argued that Miss P had a CIFAS marker loaded against her when her accounts were closed, so it hadn't done anything wrong in closing Miss P's accounts.

As no agreement could be 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.

Since I've been passed the complaint to decide, Santander has explained that whilst it considered the closure of Miss P's basic account to have been appropriate and in line with regulations at the time the account was closed, the regulations have since changed and Santander had subsequently completed a further review.

Santander said it had been six years since the CIFAS marker loaded by another bank had been loaded, so it had been removed. And as there had been no concerns with how Miss P had operated her Santander account, Santander was willing to reinstate Miss P's account subject to Miss P presenting valid ID in a branch.

One of the accounts Miss P held, was a basic bank account. So, as our Investigator has pointed out, Santander needed to consider the provisions of the PAR's. Amongst other things, the PAR's set out when an account provider, can close a basic bank account.

Basic bank accounts are a type of current account intended for individuals who do not hold, and do not qualify for, a standard current account. So, due to this, Santander's rationale for closing Miss P's account, had to meet a different standard, compared to if it had decided to close a standard current account.

Having carefully considered what the PAR's say, about when an account provider can close a basic account, I'm not persuaded that Santander acted fairly when closing Miss P's account in the way it did. That's because Miss P had a CIFAS marker loaded by another bank in 2023, and this in of itself is not grounds enough to have closed the basic account in the way it was considering what the PAR's say, and Santander's wider obligations.

I note Santander says there has been a change in regulations since it closed Miss P's accounts, but I haven't seen any evidence to suggest this.

I would add too, that Miss P's CIFAS marker was loaded in May 2023 and removed in February 2025 by the bank that loaded it, so the marker wasn't removed due to the time that had passed since it was applied.

Santander also closed the savings accounts Miss P held. Having considered the account terms, I don't find Santander fairly closed the accounts in the way it did. And I appreciate the block placed on the accounts would've caused Miss P some inconvenience as she had to

arrange to withdraw the funds from the accounts and potentially open savings accounts elsewhere.

Since I've been passed Miss P's complaint, she was asked for a copy of her credit file, to evidence whether she had any other payment accounts at the time her basic account was closed. I note Miss P informed Santander that she had an e-money account and was able to withdraw funds to the account, whilst the account blocks were in place.

Miss P hasn't provided a copy of her credit file, so I've considered the impact Santander's actions had on Miss P, based on the available evidence.

Miss P had several direct debits that were paid from her Santander account, and overall I consider the matter caused Miss P distress and inconvenience as she had to rearrange her finances and ask Santander for access to her benefits whilst the accounts were blocked. And as I've mentioned, Miss P had access to another account, albeit an e-money account at the time, which she could use to withdraw her funds to and make payments.

Considering the circumstances of this complaint, I consider £200 compensation to be a fair amount in recognition of the distress and inconvenience Miss P suffered due to Santander's decision to close Miss P's accounts.

Santander has confirmed that Miss P's basic account can be reinstated, should she attend a branch with valid ID. It's now Miss P's decision if she wishes to contact Santander and request it to re-open her basic account.

### **My final decision**

For the reasons above, I have decided to uphold this complaint. Santander UK Plc must now put things right by paying Miss P £200 compensation overall.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 4 March 2026.

Khadijah Nakhuda  
**Ombudsman**