

## The complaint

Mr P complains that Santander UK Plc unfairly placed a restriction on his account.

## What happened

In June last year, after opening an account with Santander, Mr P deposited a cheque payment of around £2,500 paid to him by HMRC. Santander restricted Mr P's account and asked him for proof of his entitlement to these funds.

The restriction remained until 25 July, during which Mr P submitted documents to prove the cheque payment was genuine. Santander wasn't satisfied with Mr P's submission, and it wasn't until the bank contacted HMRC to verify the cheque, that it eventually lifted the restriction.

Mr P complained because he says the restriction left him without the means to pay for essential living expenses and he says he had to chase the bank numerous times during the period of the restriction – which included multiple branch visits and telephone conversations. He adds that he was left embarrassed when he couldn't pay for a meal because of the restriction. Mr P doesn't understand why Santander didn't just restrict the funds from the cheque that he paid in instead of his whole account. He's also unhappy that the bank didn't contact HMRC sooner.

In its responses, Santander stood by its decision to restrict Mr P's account explaining that it was done so in line with the bank's policy. However, Santander agreed there had been some service failings and delays with its investigation, so it paid Mr P £300 compensation.

Remaining unhappy, Mr P asked this service to independently review his complaint. He wants Santander to pay him more compensation. One of our investigators agreed that Santander had compensated Mr P fairly, whilst explaining that the restriction on his account was put in place fairly. However, the investigator felt Santander's delays resulted in Mr P being unfairly deprived of access to his funds, so she asked Santander to pay 8% interest.

There's since been some back and forth with both parties. Santander agreed to pay interest on the cheque funds and not the full balance of the account, which isn't in line with what the investigator suggested. The bank says Mr P wasn't deprived of access to the funds in his account. Mr P's own submission is that the interest payment should be higher according to his calculations.

Because the parties didn't agree, the complaint had been passed to me to decide.

I recently issued my provisional findings, explaining why I didn't plan on upholding this complaint:

*I'd like to start by saying that I've considered all the arguments and evidence provided by both parties, but in this decision, I'll be referring to and focusing on what I consider to be the main points. No discourtesy is intended by this. We aim for our decisions to be as concise as possible.*

*Having reviewed everything, I'm satisfied that the compensation Santander has already paid is a fair and reasonable way to settle this complaint. I'll explain why.*

*Santander is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations when providing account services to customers. Those obligations can broadly be summarised as a responsibility to know its customer, monitor accounts, verify the source and purpose of funds, as well as detect and prevent other harm.*

*To comply with its legal and regulatory obligations, financial businesses will review customers' accounts, which can either be periodic or event driven. Having looked at all the evidence and information in this case, I'm satisfied that Santander's reasons for review were in line with the bank's obligations.*

*The bank's terms also set out that it's able to restrict accounts in certain circumstances and I'm satisfied its reasons for doing so was fair. I know Mr P feels strongly that Santander should've only restricted the funds from the cheque rather than his whole account. But by not doing so, Santander risks failing to meet its regulatory obligations. So I think it was fair for the bank to apply a restriction in the way that it did.*

*However, banks should conduct reviews promptly and shouldn't cause customers unreasonable detriment by failing to do so. Santander rightly accepts that it unfairly delayed its review. I can see Mr P responded quickly to the bank's request for evidence. But Santander failed to review this information promptly and then failed to inform Mr P of its decision following a further review. And it wasn't until a further month later that the bank contacted HMRC to verify the cheque payment, something I think it could've done sooner. Santander also accepts Mr P was also misinformed about withdrawing funds from his account.*

*I appreciate these failings would've caused Mr P unnecessary distress and inconvenience because his account remained restricted for longer than it would've been, had Santander been more prompt with its review. Mr P says he made numerous branch visits and telephone calls for updates, that he was passed around different call handlers and often didn't receive agreed call backs. I'm satisfied though that the £300 compensation already paid to Mr P fairly makes up for the detriment the bank caused.*

*I also concur with Santander's position that Mr P wasn't unfairly deprived of access to his funds during the period the account was restricted. Despite the restriction, I can see Mr P was able to withdraw funds on three occasions during this period – totalling £1,800. Santander says it temporarily lifted the restriction to allow this. I appreciate that Mr P says this was as a result of his persistence, but he was nevertheless granted access to his funds. Moreover, I can see that essential payments into his account were still accepted and direct debit payments were honoured – some of which appear to be bill payments. Mr P also earned an interest payment of £22.04 during this period.*

*So I don't agree that Mr P was deprived of access to the funds in his account. I appreciate he couldn't use his account as he would normally do, but as I explained, Santander was entitled to restrict his account in the way it did. So I won't be making an interest award in addition to the compensation that's already been paid to Mr P.*

*In summary, I'm satisfied Santander had good cause to restrict and review Mr P's account and it did so in line with the account terms and its obligations. Santander already accepts the service failings I've pointed to, and I'm satisfied that the £300 compensation it paid is a fair and reasonable way to resolve this matter. So I won't be asking the bank to do anything more.*

### **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.

Following my provisional decision, Santander responded saying it had no further submissions. Mr P responded, mostly reiterating his earlier submissions and the level of detriment he says he experienced. Mr P also commented that Santander could've allowed the cheque to be deposited and wait to see if the deposit was successful – as a way of determining its legitimacy.

However, it's not within my remit to instruct Santander on the processes it deploys to meet its legal and regulatory obligations. That's something that only the regulator can influence. My role is to reach a finding on whether Mr P was treated unfairly and, if I think he was, explain what I think the bank should do to put things right. My provisional findings above set out my position on this. So despite Mr P's request that he be awarded additional compensation. I'm satisfied the compensation Santander has already paid to him fairly settles this complaint.

### **My final decision**

For the reasons I've explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 August 2025.

Abdul Ali  
**Ombudsman**