The complaint

Mrs K complains that Santander UK Plc unfairly restricted her accounts for over a year.

What happened

Around September 2023, Santander restricted Mrs K's accounts for review and asked her for information and evidence about her account activity. Santander didn't accept Mrs K's explanation and so her accounts remained restricted until November 2024. Mrs K says the payments and withdrawals she had made or intended to carry out were for building works.

After Mrs K complained, Santander issued a response explaining that it had acted fairly and did so to keep Mrs K's accounts safe. The bank also said Mrs K could visit a branch with I.D to withdraw funds for living expenses. Santander added that the accounts would remain restricted until Mrs K provided satisfactory evidence of the purpose of her payments and withdrawals.

Remaining unhappy, Mrs K asked this service to get involved. She says she had to borrow funds to pay for her living expenses and she wants to be compensated for the distress and inconvenience caused to her.

Our investigator issued their outcome, concluding that Santander had acted fairly. Mrs K doesn't agree, so the complaint has been passed to me for a final review.

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'll explain why I'm not upholding this complaint.

Santander has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. Santander may need to review accounts to comply with these responsibilities.

I've also considered the basis for Santander's review, which I find was legitimate and in line with its legal and regulatory obligations. I should also add that I don't think Santander is under any obligation to disclose to Mrs K what triggered a review of her accounts. For this reason, I can't say that it's done anything wrong by not giving Mrs K this information. And it wouldn't be appropriate for me to require it to do so. Santander has shared its reasons with this service, but after considering the nature of the information the bank has provided, I've decided to accept it in confidence - which is a power afforded to me under our rules.

Mrs K is unhappy that the restrictions remained even after she answered Santander's questions and provided additional evidence. I've considered the bank's reasons for continuing the restriction despite Mrs K's submissions, and I'm satisfied it acted fairly. Looking at how Mrs K responded to the bank's questions, I can see that at times her responses weren't conclusive and inconsistent with previous submissions she had made. So I don't think Santander acted unfairly when it didn't lift the restrictions after Mrs K answered its questions.

I can see that the restrictions remained for over a year, which understandably Mrs K found to be unusual in the circumstances. However, I can see Mrs K travelled abroad for around six months overall and the bank has demonstrated attempts to contact her during this period. It wasn't until November last year that Santander was able to have a further conversation with Mrs K, after which it was able to lift the restrictions on her accounts. So I can't fairly say that the prolonged length of the restriction was due to something Santander did wrong.

I appreciate that the restrictions would've caused Mrs K a degree of distress and inconvenience. And, as she says, she had to borrow funds for living expenses. However, I can only consider asking Santander to do something if I conclude that it made an error or treated Mrs K unfairly. As I explained, I don't think it did – so I won't be asking the bank to do anything more here.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 28 August 2025.

Abdul Ali
Ombudsman