

## The complaint

Mr D complains Santander UK Plc unfairly closed his credit card account and provided poor service.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr D held a Santander current account, and in November 2024 he applied for a Santander credit card. The application was approved, and Mr D was granted a credit card. Santander then made the decision to review all of Mr D's holdings – including his new cred card. In December 2024 Santander made the decision to allow Mr D's current account to remain open, but Mr D's credit account would close. Mr D would have 60 days to repay the outstanding balance on the card.

Mr D raised a formal complaint about Santander's actions and the service provided. Mr D says the decision to close the account was unfair as he had completed the application process successfully.

In its final response letter dated 13 December 2024 Santander explained that it had made the decision to close the credit account fairly and it hadn't made any errors. It acknowledged some service failings and paid Mr D £100 in recognition of these.

Mr D remained unhappy and referred his complaint to our service. In his referral to this service Mr D highlighted the following concerns:

- His access to online banking was delayed and this caused him further distress and inconvenience.
- Mr D says he was unable to pay rent and travel to work whilst the account was blocked.
- The demand to pay the balance back in 60 days placed a strain on him and he should've been allowed to pay this amount back over the initially agreed interest free period.
- The poor service he received warrants further compensation.

An Investigator reviewed his concerns, and they didn't uphold Mr D's complaint. In summary they explained:

- Santander is able to review accounts in line with its regulatory duties and the account terms.
- It wasn't unreasonable for Santander to accept the application for the credit card and then decide it wasn't going to continue to offer one to Mr D.
- Mr D hasn't provided evidence to support his comments about the impact the block on his account had.
- There was no unreasonable delay in the review carried out by Santander.

- Santander could ask for the balance to be repaid, and if Mr D struggled to do this he could've contacted the financial support team.
- Mr D was given contradictory information about his accounts – the offer of £100 is a fair recognition of the impact this would've had on Mr D.
- Santander has offered a further £50 as Mr D couldn't access online banking. This is fair offer.

Mr D disagreed with the review and reiterated his concerns regarding the handling of his account and asked for his complaint to be reviewed by an Ombudsman.

### **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.

Firstly, I am sorry to see Mr D has had cause for complaint and the impact the account closure has had on him. I can see from his comments that the issues at hand have been a source of stress and worry. However, having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.

As a UK financial business, Santander is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Santander needs to restrict, or in some cases go as far as closing customers' accounts.

In Mr D's case I can see the new credit card application was accepted. Mr D provided detailed information about his financial circumstances, and from a credit worthiness perspective he was eligible for the facility. However, as part of its ongoing regulatory duties Santander carried out further checks on both his credit card account and current account. These checks resulted in the decision to close the credit card account. I understand Mr D would like more specific information from Santander about the evidence it has relied upon to make this decision. But Santander isn't under any obligation to provide this, and I cannot compel it to.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' 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 we consider should be kept confidential. So although I haven't been able to share specific details with Mr D, I can assure him I've reviewed the available evidence, and I find Santander's actions to be fair.

Mr D says the credit card account with Santander shouldn't have been opened in the first instance. Mr D says he wanted the interest free offer on the account and the fact it was withdrawn almost immediately has impacted him financially. However, it is common industry practice for accounts to be opened, and for further background checks to continue once the accounts are open. This is often due to the time it can take for the checks to be completed. I understand Mr D finds this an unfair process. But I don't find Santander has acted inappropriately in allowing the account to open, and then for further checks to be carried out soon after the initial lending decision had been made. This type of process is common industry practice, and I haven't seen anything within the evidence Santander has submitted to suggest that it hasn't followed it's standard process.

I must also highlight that Santander isn't under an obligation to provide specific details to

Mr D of how it assessed his credit card application and the factors that influenced it. Ultimately Santander is entitled to set its own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Santander should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. Based on the evidence provided by Santander I am satisfied it has reached this decision fairly, taking into account its risk guidance and regulatory considerations.

I can see the closure of the account has caused Mr D distress, and he has explained the impact Santander's decision has had on him. Unfortunately, an account closure will inevitably cause a level of inconvenience, and the account holder will have to spend time making alternative arrangements. Mr D has asked for greater compensation to recognise the impact the immediate closure had on him. But this isn't something I can fairly ask Santander to compensate Mr D for, as its decision was made in line with its account terms. Mr D also says that repaying the account balance in such a short period of time caused him financial strain. I appreciate repaying this amount would've caused Mr D to reassess his finances at the time as the balance was significant. But Santander provided full notice, as per the account terms. Mr D was also given the option of contacting the financial support team if he required assistance. This is the type of support I would expect Santander to offer as a responsible lender. So although I understand Mr D's disappointment with the closure, I consider Santander's actions to be fair.

A key issue for Mr D is the service he received from Santander. Mr D says he was given poor service during phone calls – he was told in early December that all his accounts would be closed, but then the next day he was informed that his debit card was reactivated. The status of Mr D's credit card remained unclear for about a week after this. It's not in dispute that the service here fell below reasonable standards, and this would've been a difficult time for Mr D so this lack of clarity would've exacerbated the situation. Santander has paid Mr D £100 for this experience. When the complaint was with the Investigator it offered a further £50 as Mr D was also unable to access online banking for a short period.

Mr D considers the compensation offered to be inadequate. Mr D says the acceptance of his application and the balance transfer meant he believed he had 15 months to pay off his credit card. The block on his accounts meant he couldn't work as well, which added to his financial pressures. Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine. Our awards are not intended to be punitive for businesses, and their fundamental aim is to recognise the impact on a consumer where there have been shortcomings. Having considered the timeline of events, I think the compensation offer of £150 in total to be fair, and in line with this service's approach to compensation.

I say this because the detriment caused to Mr D is mainly due to the customer service issues. I don't consider compensation for the review, and closure of the credit card to be necessary as Santander was entitled to take this action. The conflicting information given to Mr D and the lack of access to his online banking were short term issues. Santander was able to rectify them, and I haven't seen persuasive evidence regarding the impact of these issues on Mr D that would compel me to increase this amount.

I'm sorry this isn't the outcome Mr D hoped for. While the amount of compensation isn't what he was looking for, I do hope my final decision provides some clarity around why I won't be asking Santander to take further steps than it has already outlined.

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 January 2026.

Chandni Green  
**Ombudsman**