

The complaint

Ms C is complaining about Santander UK Plc's customer service in relation to her credit card account.

What happened

Ms C held a credit card account with Santander. In early January 2025 she tried to use the credit card for an online transaction, but it was declined.

Later the same day, Ms C complained to Santander. She was upset that the card had been declined and about the advice she was given about this in Santander's "livechat" and she requested a full Subject Access Request (SAR). She later explained that the attempted transaction had included some items which had been out of stock for two months and that had gone out of stock again – so she'd missed the opportunity to buy them. And she was upset that she'd had to buy the other items on her debit card, losing the protection associated with a credit card.

In their written response, Santander said the payment was declined due to the way the retailer was processing the payment. They said the retailer needed to update their functionality and a customer in this scenario would need to use a different payment method. Santander said Ms C had been provided with correct information at the time over the livechat. They also said they would only process the SAR if Ms C passed additional phone-based security checks.

Ms C made a further complaint to Santander about their requirement for additional identity checks, and about their response to her initial complaint.

Santander responded to this further complaint. They reiterated what they'd said previously about the declined transaction, and reiterated that they'd need to complete security checks to process a SAR. Santander said they could do this over the phone or Ms C could visit a Santander branch with photo identification to request the SAR. They said they'd send all future correspondence in the post, but not by recorded delivery, and confirmed they'd removed Ms C's other contact details from the system as she'd requested. Santander told Ms C this meant that if she ever needed to pass security she'd have to go into a branch. Santander said they could close Ms C's accounts without completing additional security checks – they said she could request this online, over the phone or in a branch. Finally, they said they didn't hold any information about Ms C's disability and so weren't aware of what would be needed to support her.

Ms C remained unhappy, so she brought her complaint to our service, highlighting the legal and regulatory obligations she thought Santander had breached. She added that Santander had still not closed her accounts and were continuing to charge interest despite the ongoing dispute. She said in resolution she wanted £500 for distress, inconvenience and financial loss and noted that she'd already withheld £250 from Santander. She also wanted immediate closure of her Santander accounts, fulfilment of her SAR, confirmation that Santander had deleted her personal data where legally applicable, and a formal apology.

One of our investigators looked into Ms C's complaint but didn't uphold it. In summary, he said:

- He thought Santander's explanation that Ms C needed to contact the retailer about

the declined transaction was reasonable. And even if it was wrong, it wasn't something that he thought would merit compensation.

- He thought Santander followed their process by asking Ms C for further identification verification and he didn't think this was unreasonable given the personal nature of a SAR.
- In relation to Ms C's statement that the Financial Conduct Authority (FCA) requires a firm to suspend enforcement or collection action on accounts subject to genuine disputes, he said this doesn't apply to Ms C's scenario. So, our investigator didn't think Santander would be acting unreasonably in charging interest or fees on the account in line with the terms and conditions of the card. He also didn't think Santander had acted unreasonably in allowing a refund onto the account.
- He thought it wasn't unreasonable that Santander had requested additional verification before closing Ms C's accounts.
- There's no evidence that Santander continued to contact Ms C by email or phone after she made them aware of her disability and requested adjustments, so he didn't think they'd done anything wrong in this respect.
- Although Ms C's asked that any contact from Santander ceases until her complaint has been resolved, Santander still have an obligation to manage her accounts in the meantime, and so he didn't think they'd done anything wrong in this respect.
- In summary, although our investigator could see how distressing this had been for Ms C, he didn't think he could fairly ask Santander to pay her any compensation.

Ms C wrote a lengthy response to our investigator, requesting an ombudsman's decision. The complaint was allocated to me.

I wrote to Santander on 5 June 2025 explaining that I thought they should have honoured Ms C's SAR without requiring her to confirm her identity on the phone. Santander agreed to do this and to pay £200 to Ms C to compensate her for the distress and inconvenience they'd caused her by not fulfilling the SAR. They also confirmed that Ms C would be able to close her current and savings accounts by requesting this via the live chat facility on her online banking.

I put this to Ms C on 10 June 2025, explaining why I thought £200 was fair and reasonable compensation for Santander's refusal to fulfil Ms C's SAR without additional identification verification. And I explained why I didn't think Santander needed to compensate Ms C for anything else.

Ms C didn't accept this proposed resolution. She said it didn't reflect the scale of harm that's been caused or fully address the serious regulatory, contractual and human failings at the heart of the complaint. Ms C submitted a lengthy response explaining why. My view changed somewhat and I issued a provisional decision on 7 July 2025. In that I wrote:

"During the course of our investigation, Ms C's complaint has developed, and the key points she's raised are:

- *Her online credit card transaction was declined, and then the card was blocked, preventing any further use of the card.*
- *Santander haven't processed her SAR.*
- *Santander haven't closed her accounts as she's requested.*
- *They allowed a refund onto her credit card account after she told them to close the account.*

- Santander are enforcing a debt that she's disputed, and have reported the debt to credit reference agencies (CRAs), impacting her credit score.
- They've continued to write to Ms C after she's asked them not to and have involved a debt collection agency, which triggered a significant deterioration in her mental health.
- And Santander have continued to ask Ms C to contact her on the phone after she's informed them of her disability and discomfort with phone communication.

I'll address these in turn below:

Decline of online transaction

Ms C's complaint first came about because she tried to make a purchase online and the transaction was declined. She's also upset that she was given conflicting and false information as to why the transaction was declined. Ms C says Santander actively blocked the card, leaving it unusable for any other transaction, and this was a clear service failure for which Santander provided no support, remedy, or lawful explanation.

From everything that's been provided, it's not clear exactly why the transaction was declined. Unfortunately, card transactions are occasionally declined. And whilst this can be frustrating and inconvenient, it's usually quickly resolved. Santander did offer a remedy, which was to call a particular phone number. I appreciate Ms C may not have wanted to make a phone call. But I can't see she asked if there was an alternative to phoning. So I can't say Santander should have done any more to attempt to resolve the issue for Ms C. And, within a few minutes of being provided with the phone number, Ms C said on the live chat "I give up" and asked for the credit card account to be closed, saying she would pay off the balance.

The Santander website says: "If you have an outstanding balance, once your closure request has been made you will not be able to use your card." I don't think this is unfair or unreasonable, and as such I can't say Santander should have allowed Ms C to continue using her card after she'd asked for the account to be closed.

In summary, although I can't be sure exactly why the transaction was declined, I'm satisfied Santander gave Ms C information on what steps to take to try to resolve this. Ms C then chose not to take the matter further and instead asked for her account to be closed. So I can't say Santander should have done any more.

Ms C's SAR

Ms C has been clear throughout that she wanted a full SAR. She first asked for this in the online chat on 8 January 2025. Santander's website states that a SAR can be made through online banking and doesn't suggest that any additional security would need to be completed. And it says that if a SAR is made by letter, a phone number should be provided "in case" additional security is needed, but Santander haven't been able to explain when this would be the case and when it wouldn't.

When transactions worth thousands of pounds can be made using online banking with no additional security checks, and accounts can be closed using online banking, I'd expect that the security checks within online banking are sufficient to confirm a customer's identity for a SAR which is to be sent to their registered correspondence address. Ms C doesn't want to speak on the phone or go into a branch to confirm her identity due to her underlying health conditions, and it does seem to me that Santander haven't taken this into consideration, or adequately explained why it's necessary when identification is commonly verified using online banking. So, I'm not persuaded Santander have acted fairly in this respect. I'll set out at the end of my decision what I think they need to do to put things right.

Closure of Ms C's current and savings accounts

Ms C is frustrated that her accounts haven't been closed as she requested. She says that in requiring her to confirm her identity over the phone, Santander added a non-contractual barrier not mentioned in the account terms and conditions.

The terms and conditions Ms C's sent us say that a customer can close their accounts by giving notice and without any reason and don't specify how that notice has to be given. But these terms and conditions date back to December 2020. More recent terms and conditions specify that a request to close an account must be made online, over the phone, or in branch. I can't say that's unfair or unreasonable. Santander has a duty to protect its customers, and written communications don't provide the same level of confidence in the identity of the writer.

Ms C says that her disability makes it difficult for her to manage correspondence other than in physical format and that Santander should make reasonable adjustments for this. But I don't think allowing her to request important changes to her account in writing without additional verification is a reasonable adjustment because of the risk of identity theft.

I can see Ms C asked in the live chat on 8 January 2025 for her credit card account to be closed. She didn't mention her current or savings account. Ms C later wrote to Santander requesting closure of all her accounts. So, her request to close her current and savings account was made only in writing, and not online.

I don't think it was unreasonable for Santander to require Ms C to verify her identity before they closed her accounts. They've confirmed that they will close Ms C's current and savings accounts if she requests this via online banking, where her identity can be verified without the need for a phone call or branch visit. I'm satisfied this is reasonable in the circumstances.

The credit card – non-closure, refund, and enforcement of outstanding balance

When Ms C requested the closure of her credit card account in the live chat, Santander told Ms C that she'd need to pay off the balance and then reconnect to the live chat to complete her closure request.

Ms C later told Santander she'd paid off the balance on her credit card except for £250 that she was claiming as compensation for the stress and inconvenience she'd suffered as a result of Santander's lack of support and reiterated (in a letter) her request that they close her account.

I'm satisfied Santander didn't act unfairly in keeping the account open. The terms and conditions are clear that an account balance needs to be cleared before an account can be closed. I'm also satisfied they didn't act unfairly in allowing a refund onto the account. The terms and conditions expressly state: "Any refund will be treated as a payment towards your account balance".

Ms C considers the £250 she's claiming from Santander to be a disputed transaction. On that basis, she says, Santander should not take any enforcement action, including referrals to debt collection agencies. Ms C referred to CONC 7.5.3R to justify her position. This says "a firm must not ignore or disregard a customer's claim that a debt has been settled or is disputed and must not continue to make demands for payment without providing clear justification and/or evidence as to why the customer's claim is not valid."

Santander's final response letter (FRL) explains why they didn't think they'd done anything wrong and why they wouldn't be paying compensation. And their letter of 3 February 2025 acknowledges Ms C's compensation claim and sets out that they don't agree any compensation is necessary. I'm satisfied Santander provided clear

justification as to why they didn't think any compensation was necessary, and that therefore allowed them to continue to enforce the debt. I appreciate Ms C disagrees with Santander's FRL, but at that stage we'd expect a consumer to trust the process of raising their complaint with the Financial Ombudsman Service rather than effectively trying to take matters into their own hands by withholding money owed to a firm.

Ms C mentioned a specific court case that she felt supported her position. But the facts and circumstances of that court case are materially different from the details of Ms C's complaint – the court case refers to a single disputed transaction rather than to a claim for compensation. So it wouldn't be appropriate to apply the judgment in that case to a complaint with very different circumstances.

In summary, then, although Ms C had made it clear to Santander why she wasn't paying the outstanding balance on her credit card, I'm satisfied Santander haven't acted unfairly in continuing to charge interest, attempted to recover the debt, or report this to the CRAs. That's because Santander had clearly set out why they didn't think Ms C's claim was valid.

Written communications and referral to a debt collection agency

On 1 April 2025 wrote to Santander explaining that she had already returned three letters to them unopened and requesting that they stop writing to her until after the Financial Ombudsman Service had issued a final decision.

Santander continued to write to Ms C. Whilst I understand Ms C's request, I don't consider it to be a reasonable one. Santander is required to communicate with its customers - they do need to do this for as long as a customer's accounts are open, to allow a customer to appropriately manage their accounts. So I can't say they've done anything wrong in this respect.

Because Ms C had been returning her letters to Santander unopened, they asked a debt collection agency to verify her address. Given that Ms C had already told Santander that she would be returning all letters to Santander unopened, I'm not persuaded this measure was necessary. I don't think Santander should have contacted a debt collection agency at this stage – it would have been fairer to wait until after Ms C's complaint had been concluded in full.

I understand that Santander have also marked Ms C as "gone away" on her credit record because they were unable to verify her address. Again, I don't think this was a fair action to take in the circumstances. So I'm not persuaded Santander have acted fairly in this respect. I'll set out below what they need to do to put things right.

Requests for Ms C to contact Santander on the phone

Santander have asked Ms C to contact them on the phone on several occasions – to resolve the declined transaction, to confirm her identity for the SAR, and to confirm her identity for her account closures.

Ms C has explained to us that she has complex post-traumatic stress disorder (C-PTSD), and that she fears being misgendered on the phone. She said she's previously told Santander that she doesn't want to communicate on the phone. But Santander said they weren't aware of this. The letter Ms C's provided as evidence dates back to 2020 and mentions a mental health disability but doesn't go into any detail. And it doesn't say that Ms C doesn't want phone calls, instead it says that she finds it easier to read and understand written documents than electronic ones. I haven't seen any other evidence that Ms C told Santander she didn't want to speak on the phone until 13 January 2025. So, I can't say that Santander treated Ms C unfairly in asking her to call them before this date.

Conclusion

In summary, I'm inclined to say Santander have treated Ms C unfairly in three respects:

- *They failed to process her SAR after she'd made a valid request through a secure platform;*
- *They asked a debt collection agency to verify her address when she'd already explained that she'd be returning their post; and*
- *They reported Ms C as "gone away" to the CRAs in this context."*

I then said I thought Santander should:

- *Process Ms C's SAR and send the results to her in the post;*
- *Arrange for the gone away marker to be removed from her credit file; and*
- *Pay Ms C £500 compensation for the distress and inconvenience caused.*

Santander disagreed with my provisional decision. They didn't agree with the section titled "*Written communications and referral to a debt collection agency*" and thought this contradicted other parts of my decision. They said the issues Ms C experienced were because of her own choices and actions and they didn't think they should be held liable for that or the increased compensation I'd recommended.

Ms C also replied to my provisional decision. She gave further details about her disability and said Santander had a duty to ask for clarification of this when she initially told them about it. She said her disability impacted how she responded when her card was declined, and she was told to make a phone call. She said she was unable to do this or to think to ask for an alternative, and her request to close her account was a trauma-driven response to being unsupported.

Ms C reiterated her view that the £250 she'd withheld should be treated as a disputed transaction and shouldn't have been enforced. She said Santander had acknowledged that it was disputed but then shifted to enforcing it, in breach of the law and the FCA's regulations.

Ms C also reiterated her concerns about her credit card payment being declined and the contradictory reasons Santander had given about this.

Finally, Ms C said she'd now received the results of the SAR from Santander. She was concerned that the SAR was incomplete and Santander were intentionally concealing some information from her. And she referenced some documents which she felt had a bearing on her complaint – she said it showed:

- Santander had given her the wrong information in relation to the declined transaction.
- Santander had noted Ms C didn't want to receive telephone calls on 17 October 2024.
- She'd given Santander clear information about her disability in October 2020.

Ms C also said she'd found the whole process extremely upsetting and dehumanising. She said in resolution she now wanted:

- Lawful fulfillment of the SAR including all data held about her;
- Closure of all accounts;
- Full removal or correction of negative credit file entries;
- Written confirmation of the disputed nature of the retained balance; and
- A minimum of £500 in compensation to reflect the mishandling of her complaint and the substantial harm it caused.

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, my final outcome is unchanged from that set out in my provisional decision, except that I'm no longer directing Santander to fulfil Ms C's SAR because this has already been done. I'll explain my reasons below. Although I may not comment on every point raised, I'd like to reassure both parties that I have reviewed all the correspondence about Ms C's complaint. I've focussed on what I consider most relevant in the circumstances. The rules that govern our service allow me to do this.

Ms C's response to my provisional decision

I haven't investigated Ms C's concerns that Santander have withheld information when fulfilling the SAR. This is a new complaint and if Ms C wishes to pursue it, she needs to take that up with Santander first.

Much of Ms C's response to my provisional decision talks about her C-PTSD and the impact this has on her, and on this complaint. I'm really sorry to hear how traumatic the whole situation has been. However, this doesn't change my view of the complaint. I haven't seen any evidence that Ms C gave Santander details about her condition, and I can't say they should have asked for more detail when she first disclosed her mental health disability in October 2020. That's because she explained at the time what adjustments she needed for her disability. And, whilst Santander noted that they shouldn't call Ms C in October 2024, I've not seen any evidence that she said she wouldn't be able to call them. So, I don't think it was unreasonable for Santander to tell Ms C that she needed to make a phone call to resolve the declined transaction. And I don't think it was unreasonable for them to take Ms C's request to close her account at face value at that point.

In respect of the £250 Ms C withheld, Ms C hasn't provided any new evidence or arguments. Santander acknowledged that Ms C had told them she was withholding it in lieu of compensation but in the same letter, they explained why no compensation was due. So, I'm satisfied they were within their rights to continue to attempt to recover the debt from Ms C.

I appreciate Ms C hasn't been given a clear answer as to why the credit card was declined. But I set out in my provisional decision why I didn't think this was necessary, and her further representations haven't changed my view on this.

Santander's response to my provisional decision

Santander said my provisional decision contradicts itself because I said they could continue to enforce the credit card debt, but I also said they shouldn't have referred it to a debt collection agency. To clarify, I didn't think Santander should have referred the debt to a debt collection agency *for the purposes of checking Ms C's address*. That's because, as I explained in my provisional decision, Ms C had clearly told Santander that she would be returning their post. So when they did receive returned post, they ought to have been aware that this wasn't indicative of Ms C having moved house or gone away, it was because of the ongoing complaint. Whilst I appreciate that the referral has, to an extent, resulted from Ms C's choices and actions, I remain of the opinion that the referral to the debt collection agency and the "gone away" marker on Ms C's credit file were unnecessary and have caused significant harm to Ms C.

Putting things right

Having decided Santander haven't acted fairly in all respects, I've considered the impact this has had on Ms C and what would be fair compensation.

When thinking about the appropriate amount of compensation, I've thought about Ms C's disability and that this matter has had a significantly greater impact on her than it might on

someone who didn't face the same challenges. The whole matter has clearly caused her a great deal of frustration, upset, and inconvenience, and she's put a lot of time and effort into making her case. Santander agreed to pay £200 in respect of the SAR. Ms C then provided additional evidence in respect of the debt collection agency and reporting of Ms C as having "gone away". I can understand how upsetting it would have been to receive the communication from the debt collection agency. And the "gone away" status has had an impact on Ms C's credit rating which again has caused her upset, and may have been a contributing factor in her having problems with other accounts. Taking everything together, I'm inclined to say £500 would be fair compensation to resolve the matter.

My final decision

As I've explained above, I'm upholding Ms C's complaint. To settle the matter, Santander UK Plc need to:

- Arrange for the gone away marker to be removed from Ms C's credit file; and
- Pay Ms C £500 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 19 August 2025.

Clare King
Ombudsman