

The complaint

Mr P complained about the service provided by Santander UK Plc ('Santander') when it stopped a debit card payment he wanted to make and he was unable to complete a holiday booking as a result. He's also unhappy with the way Santander handled his complaint.

To put things right, Mr P wants Santander to pay him more compensation than the £75 it has paid so far.

What happened

When Mr P attempted to use his debit card to pay an online travel booking service, Santander declined the payment. He was able to complete the booking the next day using a third-party credit card instead but the holiday cost had escalated and he had to pay around £200 more. When he tried to complain to Santander about what happened, it became apparent that Santander hadn't properly recorded or actioned his complaint when he'd first raised it, leading to additional frustration.

Santander said it had automated fraud systems in place to protect customers which had caused Mr P's payment to be declined for additional security checks. Santander acknowledged however that it made an error when it didn't log Mr P's complaint when he first complained and credited £75 to his account by way of apology. Mr P didn't feel this was a satisfactory response and so he brought his complaint to us.

Our investigator ultimately felt that Santander had responded fairly and reasonably to Mr P's complaint and that it didn't need to take any further action.

Mr P disagreed with our investigator saying that information provided by Santander and the travel booking service about the blocked payments was contradictory. Mr P asked for an ombudsman to review his complaint afresh, so it comes 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.

This includes listening to the call recordings provided.

I can understand why what's happened has been upsetting and frustrating for Mr P. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

As I understand things, Mr P's main complaint is that the verification processes he'd been through each time he attempted to send the payment, including logging into his account with his own credentials and confirming a one-time passcode (OTP) sent to him, should've been enough for the payment to complete. He put things this way: '*...as far as I'm concerned....that verified security*'. But this doesn't mean that Santander's usual anti-fraud procedures shouldn't have applied.

Banks have an obligation to take steps to keep customers' accounts safe and prevent fraudulent transactions. Sometimes this can mean the bank identifies and blocks legitimate payments that a customer wants to make. Understandably, this can cause distress and inconvenience to a customer – but it doesn't necessarily mean the bank has acted incorrectly or unfairly. Checks undertaken as part of Santander's verification process are designed in the interests of Santander's customers to help keep their money safe and prevent fraudulent activity on their accounts.

Santander couldn't simply rely on Mr P approving the proposed payment himself. It has legal and regulatory obligations imposed by the Financial Conduct Authority ('FCA'). Santander is required to have processes in place to help ensure it takes reasonable steps to keep customers' money safe and these operated here.

Santander said the payee was a non-secured e-commerce site so this is why Mr P was asked to verify the payment – and after this, the payment was blocked by its automated fraud system. Santander's terms and conditions, which Mr P would've signed up to in order to be able to use the account, allow Santander to stop payments being made in these circumstances. So I don't find that Santander made any error or did anything wrong when it blocked the transfer Mr P wanted to make. I am satisfied that Santander acted in line with its terms and conditions when it blocked the payment and it was fair and reasonable for it to stop the payment in these circumstances.

Mr P was concerned that he wasn't able to sort things out on the phone with Santander. After holding on the line for some time, he was cut off after waiting to speak to the fraud team. I can appreciate that would've been very frustrating. But it's unclear why the call dropped so I can't fairly hold Santander responsible for this happening. And even if further enquiries might show if it was Santander's fault, I am satisfied that the compensation paid already would be adequate to reflect this, bearing in mind that Mr P could've called Santander back.

Part of Mr P's complaint was about the way Santander managed its complaint process. The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. We can however consider the customer service Mr P received and I kept this in mind when thinking about whether Santander needs to do more to fairly compensate Mr P.

Mr P made it clear during a call on 13 September 2024 that he wanted to escalate his concerns and log a formal complaint. Santander accepted that this didn't happen – and I think that failure added significantly to Mr P's frustration about what happened. From listening to the call recordings provided, it's clear that call handlers he spoke to were unaware that he wanted to pursue a complaint because it hadn't been logged on the system as it should've been. This led to misunderstandings about the purpose of his calls, and what his complaint actually was, resulting in Mr P being kept on hold for long periods and being passed around different departments.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. Typically, an apology or small monetary award will fairly compensate a one-off incidence of poor service, especially where there is no significant or lasting impact. So just because Santander agreed that there were shortcomings in the way it handled Mr P's complaint, it doesn't necessarily follow that we would always award any or any significant compensation. And after taking into account everything that Mr P and Santander have told me, I haven't seen enough to show that Santander did anything else wrong or that it treated Mr P in a way that wasn't fair and reasonable. So it wouldn't be fair in these circumstances to require Santander to reimburse Mr P the additional holiday cost he incurred.

All in all, I think the £75 payment Santander made by way of apology when he first complained seems fair to me in all the circumstances. I haven't seen or heard enough to make me think it would be fair to require Santander to do more here.

I've concentrated on what seem to me to be Mr P's main complaints and the issues he was most concerned about when he asked for an ombudsman decision. Even if I haven't commented on everything that's been mentioned during the course of this complaint, I've taken into account everything that might impact on the outcome and the issue of fair redress. I appreciate that my decision will be disappointing for Mr P but I hope that setting things out as I've done helps to explain how I've reached my conclusions.

My final decision

My final decision is that I don't uphold Mr P's complaint as I am satisfied that the compensation Santander UK Plc has already paid Mr P is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 29 August 2025.

Susan Webb
Ombudsman