

## **The complaint**

Ms W complained about:

- actions taken by Santander UK Plc when it blocked a payment she wanted to make and suspended her digital banking access until she completed further security checks, and
- poor service issues following this.

To put things right Ms W would like Santander to pay her more substantial financial redress than the £400 paid so far.

## **What happened**

In August 2024, Santander blocked a transfer Ms W attempted to make from her Santander account to a third-party and placed restrictions on her account which lasted until 1 October 2024.

When Ms W complained to Santander, it partly upheld her complaint saying that its automated anti-fraud system had flagged her attempted payment for further security checks. It was sorry she'd found security questions intrusive but said the block and the restrictions on her account were correctly applied. Santander agreed however that its security review of her payment was unduly delayed and by way of apology for this, Santander paid her a total of £400 compensation.

Ms W didn't feel this went far enough to resolve things and she brought her complaint to us. Our investigator reviewed everything and felt that a fair outcome had been reached and that Santander didn't need to do any more.

Ms W strongly disagreed with our investigator. Ms W's main point is that the investigator (and Santander) haven't fully considered or addressed all aspects of her complaint and £400 isn't enough compensation for what happened.

## **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 thought about everything I've seen and been told, including in call recordings provided, I've independently reached the same overall conclusions as our investigator and I've decided not to uphold Ms W's complaint. I'll explain my reasons.

My role is to consider the evidence presented by both parties and reach what I think is an independent, fair and reasonable decision based on the facts of the case. I must be impartial. To uphold Ms W's complaint and award the further redress she is seeking I would have to find that Santander made an error or acted unfairly or unreasonably and this led to Ms W suffering financial loss or some other detriment which Santander hasn't done enough to put right. So I've looked at what happened with this in mind.

I will consider the circumstances as a whole. I've highlighted the main things that I think are relevant when deciding this complaint – our rules allow me to do this. If I haven't covered every point raised in the course of this complaint, it doesn't mean I haven't considered the evidence and what Ms W has said. It just means I haven't needed to refer to everything in the same amount of detail as Ms W to reach a decision. My focus is on the key issue I need to decide – whether Santander has treated Ms W fairly and reasonably overall.

The main background facts are not in dispute and have been fully covered in correspondence between the parties already. In brief outline, Santander blocked a payment Ms W wanted to send to a third-party payee with the intention that it would be used to fund an investment for her. Ms W was reluctant to engage fully in Santander's security process and answer all its questions with the result that Santander didn't feel able to authorise the payment and restricted her account. Ms W was locked out of her account for around six weeks when her mobile and online access were blocked as a security precaution and transfers were not permitted without prior approval by Santander's fraud team. All other transactions were permitted and Ms W could use her debit card – although that was of limited use as she was abroad throughout this period. Ultimately, Santander removed the blocks from Ms W's account and allowed her to continue with the payment after it completed its internal checks and on the understanding that it had shared its concerns about potential investment fraud and made Ms W aware that it considered her money was at a high risk.

I appreciate that Ms W feels strongly that Santander had no valid reason for blocking the transfer she wanted to make and she's said she felt she wasn't listened to and her opinions were '*worthless*'. I've kept in mind that this was Ms W's money to spend as she wished, she'd had some investment experience already and she assured Santander that she had complete confidence in the person she was sending the money to. But Santander couldn't simply rely on Ms W carrying out her own due diligence checks and authorising the payment. I'll explain why I say this.

Banks have an obligation to take steps to keep customers' accounts and money safe. 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.

Here, it wasn't a question of the bank ignoring Ms W's assurances or belittling her opinion. Santander wanted her further input to its security process. Santander has legal requirements it must observe and regulatory obligations imposed by the Financial Conduct Authority ('FCA'). Santander has an obligation to protect its account holders' money, including where it reasonably believes that an account holder may be falling victim to a scam. And in this situation, it must decline to complete an instructed payment until it can be satisfied that its customer isn't the victim of fraud. This means Santander was required to have processes in place to help ensure it took reasonable steps to keep Ms W's money safe. Santander's terms and conditions, which Ms W would've signed up to in order to be able to use the account, allow it to withhold paying money from her account in these circumstances. So I can't fairly say that Santander made any error here when the payment Ms W wanted to make prompted security checks.

I completely understand Ms W's frustration at what happened. But I can also understand why, from Santander's point of view, it had grounds for valid concerns about whether it could safely approve the payment Ms W wanted it to make which Santander explained to Ms W had hallmarks of a well-known type of scam.

Ms W found Santander's questions intrusive and she told Santander she accepted responsibility for assessing risk and making the payment. But how businesses choose to operate and their internal processes come under the oversight of the regulator - the Financial Conduct Authority (FCA). Although Ms W has objected to how Santander treated her, it's not for this service to tell Santander how it should act when it has concerns about potential fraud or scams.

Despite attempting to find out from Ms W the information it needed to know, Santander wasn't able to be satisfied that Ms W's money wasn't at risk – and I've explained above why it had grounds for valid concerns in my opinion. Bearing all this in mind, given the amount of money involved and the nature of the payment, I think Santander acted fairly and reasonably when it applied bank policy and declined to allow the payment Ms W wanted to make and applied restrictions to her account.

Nonetheless, I'd still expect Santander to treat Ms W in a fair and reasonable way. Ms W has catalogued the difficulties she had dealing with Santander after her account was blocked. There were practical issues making international calls from a different time zone which meant communications weren't always straightforward but Santander has admitted that it mishandled enquiries it needed to make as part of its security review which delayed the payment issue being resolved and it didn't manage communications with Ms W as well as it should've done - so I don't need to say more about what went wrong. I need to decide whether or not Santander has done enough to put things right.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Ms W in the position she'd be in if Santander hadn't been responsible for any poor service issues. There's more information on our website:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>.

My starting point is to consider the impact on Ms W of what happened and I've thought first about financial loss.

Ms W provided evidence that the *'thwarted investment'* she missed out on during this time showed growth. But I can't say with any confidence here exactly when the third-party may have invested Ms W's money or if or when she might've realised any gain - so I can't identify or quantify what she's missed out on. The value of investments can change all the time and investment 'loss' or 'gain' doesn't crystallise until an investment is bought and sold. I can't award compensation for hypothetical issues as it's not within the remit of this service to do so. Santander has paid Ms W £50 to cover 'lost interest' based on the figures she initially provided and whilst she says that's now not enough, given actual performance over the whole period, this seems reasonable to me as part and parcel of the overall compensation amount.

Fair compensation isn't however just about monetary loss – it also needs to properly reflect the wider impact on Ms W of Santander's service failings. I don't doubt that Santander's poor service would've been frustrating and inconvenient for Ms W. Santander agreed that it didn't handle things at its end as quickly or effectively as it should've done. This meant Ms W spent a lot of time on phone calls trying to find out what was happening and chasing for updates – and her account remained restricted throughout. And although I'm not awarding for investment loss, I've taken into account that, from Ms W's point of view: *'...because of the extended duration of the complaint I still endured a long period of missed opportunity.'* which I can appreciate added to her distress about the ongoing delays.

Ms W said that if Santander was unhappy with the situation, it should've resolved it one way or the other without incurring delay and I sympathise with that viewpoint. She was entitled to expect that Santander would provide a reasonable level of service and Santander has admitted there were shortcomings in the service provided.

But we also expect consumers to take reasonable steps themselves to limit the impact of things going wrong. I've kept in mind that if Ms W had been more willing at the outset to answer questions put to her by Santander's fraud team, it's possible that at least some of the delay that followed was avoidable. Although at one point she asked Santander to simply cancel the payment, it wasn't unreasonable in my opinion for Santander to continue the account restrictions. It was still responsible for keeping Ms W's money safe. And I can understand why it wasn't able to be satisfied that cancelling the failed transfer and restoring her account access would be enough to do this as its enquiries were ongoing at that stage. That said, I am satisfied that Ms W was seriously let down by Santander on this occasion. Its delay and mismanagement of the situation caused her considerable distress and significant inconvenience (and disruption to her daily life) that took a lot of extra effort on her part to sort out.

Overall, I think the total amount of £400 compensation is fair and reasonable in all the circumstances. The fact that Santander reached this figure incrementally makes no difference. I am satisfied it reflects the extent and impact on Ms W of the poor service on Santander's part. Beyond this, I don't agree that Ms W's experience warrants further compensation. The total amount of £400 matches the level of award I would make in these circumstances had it not already been paid. It is in line with what this service would award in similar cases and it is fair compensation for Ms W in her particular situation.

I'm sorry that what happened has caused Ms W so much stress and been upsetting for her. But for the reasons I have set out, I haven't seen enough here to uphold her complaint and award any further compensation.

### **My final decision**

My final decision is that I do not uphold this complaint as I am satisfied that Santander UK Plc has done enough already to put things right for Ms W.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 12 September 2025.

Susan Webb  
**Ombudsman**