

The complaint

Mr H complains Santander UK Plc (“Santander”) closed his accounts without providing a proper explanation. And by doing so, has failed to reasonably consider his circumstances.

Mr H is also unhappy about the service Santander provided. He wants Santander to change how it communicates with customers in support of postal correspondence.

What happened

Mr H was a customer of Santander for several years. He had two accounts with Santander - a current account and savings account.

Mr H has explained that he has been travelling, working and living outside the UK for some time and used his Santander accounts to fund his travels. So, the accounts were important to him. Mr H has said that whilst overseas a family member monitor’s his post. And he asked Santander to communicate with him via email instead of telephone.

In October 2024, Santander reviewed Mr H’s accounts to comply with its Know Your Customer process. Mr H complied with Santander’s requests and provided information promptly, which included he had no intention of returning to the UK soon. And was travelling and living in South America.

Following its review Santander decided to close Mr H’s accounts. Santander sent Mr H a letter to his UK address giving him two months’ notice that his accounts would be closed on 10 February 2025. Santander issued a cheque for Mr H’s closing balance to his address.

Mr H says Santander’s letter was never received at his address. He says he found out his accounts had been closed when he received an email from Santander about his debit card being removed. And he could no longer access his accounts online.

On receiving the email Mr H contacted Santander from overseas. Mr H asked Santander to explain why it was closing his accounts and why the bank had chosen to write to him instead of calling him to let him know his accounts were going to be closed. Especially given he’d told Santander about his circumstances and that he preferred to be contacted via email.

Mr H says Santander wouldn’t give him much information but told him that it had closed his accounts in line with the terms and conditions. Santander also said that it had followed its closure process when it issued Mr H a cheque for his closing balances. And communicated with him via phone. Santander explained to Mr H that communicating via email wasn’t the most secure method when discussing customer’s accounts, so it calls customers so that accounts are safeguarded from fraud. Santander apologised for any upset this had caused Mr H and offered Mr H £50 as a gesture of goodwill to cover the costs of the phone calls he made.

Mr H asked Santander to transfer his account balance to another account he held with a different bank. After providing his passport and account details Santander agreed to make

an exception due to Mr H's circumstances, cancelled the cheque and transferred Mr H's funds on 3 March 2025 to his nominated account.

Mr H complained to Santander. He said he wants a proper explanation why his accounts were closed. He also said that he couldn't receive and cash a cheque due to him being overseas. He said he found Santander's KYC questions were based on stereotypes and assumptions and feels discriminated. Mr H also said he had to make several phone calls to Santander to try and gain access to his money which was costly and inconvenient. Overall, he said Santander hadn't taken his circumstances and communication preferences into account when it decided to close his accounts, which caused him emotional distress and financial hardship. And the £50 offered by Santander isn't enough to reflect the amount of trouble and upset he suffered.

One of our investigators looked at Mr H's complaint. They said that Santander was entitled to close Mr H's accounts under the terms and conditions. And didn't have to provide him with an explanation about why it no longer wanted him as a customer. The investigator also said Santander had followed its processes when communicating with him and issuing a cheque for his closing balances. So, they said Santander didn't have to do anything more to resolve Mr H's complaint.

Mr H disagreed. He wants to know why Santander closed his accounts. Mr H also said Santander shouldn't have relied on the postal system and could have used other channels to let him know it had decided to close his accounts. He said he was overseas and left without access to his money, which was stressful and Santander should have adapted the way it communicated with him.

As no agreement could be reached the matter has come 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.

I think it's important to firstly explain I've read and considered all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr H's complaint in less detail than he has done. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

I've gone ahead and considered things using my fair and reasonable remit. I'm required to consider the law, rules and regulations, codes of practice – but ultimately I decide matters based on what I think is fair and reasonable. I would also point out that where the information I've got is incomplete, unclear, or contradictory, as it is here, I've based my decision on the balance of probabilities.

As the investigator has already explained, banks and financial business in the UK, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. That sometimes means Santander need to review, or in some cases go as far as closing customers' accounts.

Santander asked Mr H to provide information about whether he was living in the UK and how he was using his accounts because Santander are obliged to adhere to the regulator – the Financial Conduct Authority (FCA), Know Your Customer (KYC) responsibilities.

Santander is entitled and obliged to carry out such checks. This applies to both new and existing customers regardless of how many years a customer may have banked with Santander. The terms of Mr H's accounts also permit Santander to review an account and ask a customer for information.

I appreciate that Mr H may have felt some anxiety, upset and intrusion about providing Santander with detailed information about his travels. But as Santander requested this information from Mr H to ensure it complies with the regulator's KYC responsibilities, and its legal and regulatory obligations, I can't reasonably say that Santander was acting unfairly or unreasonably in asking Mr H for the information that it did.

Mr H says he co-operated with the requests Santander made and feels the questions he was asked were based on stereotypes and assumptions because of the countries he was travelling in. Whilst I can appreciate Mr H's point of view, I must highlight it is not within this service's remit to tell a business how to run their KYC processes or procedures such as what questions they should ask a customer for them to be satisfied they are meeting their legal or regulatory requirements. It would be the role of the regulator – the Financial Conduct Authority (FCA), who have the power to instruct Santander to make changes to their policies and procedures, if necessary.

It's also worth noting though that there is no set way in which the regulator requires a business to meet their KYC requirements. Each business will have their own individual procedures with respect to KYC requirements. This is to ensure each business can meet their regulatory requirements but also have the autonomy to operate its business as it sees fit. So, whilst I've considered Mr H's general comments about Santander's approach to discharging its regulatory duties, I haven't seen anything to persuade me its processes had a detrimental impact on Mr H.

I agree that the timing of Santander's review and decision to close Mr H's accounts was unfortunate. Mr H was overseas. But whilst I have sympathy for Mr H it's not in my remit to tell Santander what type of account review they should be conducting or when they should conduct account reviews. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

Mr H believes Santander has discriminated against him based on his race when it decided to review and close his accounts. Mr H has come to this conclusion because Santander didn't question him about his travels in all the countries he visited – only one.

While I can appreciate this is his perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr H has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that Santander would have treated another customer with similar circumstances any differently than Mr H. After looking at all the evidence, I've not seen anything to suggest Santander treated Mr H unfairly when it decided to review his accounts.

As the investigator has already explained, banks are entitled to end their business relationship with a customer, as long as this is done fairly, doesn't breach law or regulations

and is in keeping with the terms and conditions of the account. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Santander have relied on the terms and conditions when closing Mr H's accounts. These state that the bank can close an account by giving a customer at least two months' notice. And it doesn't have to provide a reason for doing so. Santander has said it sent Mr H letters about closing his accounts to the address it has on file for him – his UK based address. I've seen a copy of the letter Santander sent, so I'm satisfied that the letter was sent. I can't hold Santander responsible for the letter not being received. So, I'm satisfied that Santander has complied with the terms and conditions of the account by providing Mr H with notice of its intention to close his accounts.

I've then gone on to consider whether Santander's reasons for closing the accounts was fair. In doing so, I appreciate that Santander is entitled to set their 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.

After considering all the available evidence and circumstances, I haven't seen any evidence that would lead me to conclude Santander closed Mr H's accounts for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its commercial discretion. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision. So, it was entitled to close the accounts as it's already done.

I understand Mr H wants Santander to explain the reason it closed his accounts. It can't be pleasant being told you are no longer wanted as a customer. But Santander doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mr H the reasons behind the account review, as much as he'd like to know. It's also under no obligation to provide Mr H with the reasons it no longer wants him as a customer. So, I can't say it's done anything wrong by not giving Mr H this information. And it wouldn't be appropriate for me to require it do so now.

I can also understand why being such long-standing customer is an important factor that Mr H feels Santander should have taken into account. But this doesn't change my mind given I think Santander applied its terms fairly when it decided to close Mr H's accounts.

Another part of Mr H's complaint is he is unhappy Santander issued him a cheque for his closing balance which due to his circumstances he was unable to cash. Mr H says this led to him having to wait longer to receive his money. In response to Mr H telling Santander, he couldn't cash a cheque Santander agreed to make an exception to its usual process when closing an account, which is to issue a cheque and arranged to have Mr H's balance transferred to his other UK based account. I've reviewed the correspondence between Mr H and Santander, and I am satisfied that as soon as Mr H expressed a preference to have his funds transferred Santander acted fairly and reasonably by arranging the funds to be sent to Mr H's nominated account. I am also satisfied that Santander didn't cause any unnecessary delays in releasing Mr H's funds. So, I don't find Santander treated Mr H unfairly.

Mr H also says Santander should have used alternative means to communicate with him given he has been travelling and living overseas for some time. He's pointed out that Santander had his email and contact phone number. And that Santander were well aware of

his circumstances and communication preferences. So, he thinks Santander should have made more of an effort to let him know it no longer wanted him as a customer. Especially given he has had an account with Santander for so long.

I acknowledge Mr H's comments around how he believes Santander should communicate with its customers – particularly in the use of digital communications. It's important to explain that it's not the role of this service to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or enforce changes to policies. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Santander acted fairly and reasonably when applying those policies and procedures in the individual circumstances of Mr H's complaint. Santander has also explained that it communicates with customers using the phone when discussing its customer accounts as this is more secure than emails which can be intercepted by fraudsters. I don't find this unreasonable. However, I note that Santander has acknowledged Mr H's suggestions and said that it will review how it communicates in the future. I hope this gives Mr H some level of comfort that Santander have taken his comments on board.

In summary, I recognise how strongly Mr H feels about what's happened. I don't doubt it has been a frustrating and worrying time. So, I realise Mr H will be disappointed by my decision. But overall, based on the evidence I've seen, I can't say Santander have acted unreasonably and treated Mr H unfairly when it closed his accounts.

My final decision

For the reasons I've explained my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 February 2026.

Sharon Kerrison
Ombudsman