

## The complaint

Mr F complains that Santander UK Plc unreasonably blocked his online account following a transaction that he made with absolutely no evidence. Mr F would like an apology and compensation between £5,000 and £10,000 due to all the inconvenience caused.

## What happened

Mr F said Santander blocked his account due to a £10,000 payment to a property investment firm on 25 June 2025. He said when he called, he was harangued with questions, with the onus on him to prove this wasn't a scam or money laundering. He described the questioning as at best very bad, condescending, overbearing, and insulting at times.

Mr F said he told Santander it should have carried out minimum due diligence before acting. He said blocking his account with no proof was over-reaching and caused him much distress and loss of a return on his would-be investment. Mr F complained to Santander.

In its response, Santander apologised for the inconvenience in holding Mr F's payment for checks. And said it has legal and regulatory obligations which can require it to hold payments, or block accounts. Santander said its colleague was professional when speaking to Mr F and asked the relevant questions to understand if there was cause for concern.

Santander said its colleague asked Mr F to gather more information on the payee company and called back to see if he was able to resolve the matter. But Mr F was frustrated and couldn't relieve the concerns. However, its investigators made further checks and released all bank restrictions on 1 July 2025 to enable Mr F to make the payment if he wished. Santander said it only restricted Mr F's online banking and the transfer of funds. Santander said it had followed the correct security procedures in the circumstances.

Mr F wasn't satisfied with Santander's response and referred his complaint to our service. He said Santander had skipped over the real issues and missed out vital information such as the transaction that caused the stop on his account. Mr F said Santander has a responsibility to prevent people being defrauded, but he would expect certain markers/thresholds prompting such action, rather than disrupting a legitimate payment. He said Santander hasn't told him what these are, or what it was about the transaction that caused concern.

Our investigator didn't recommend that the complaint be upheld. He said Mr F's prospective payment was blocked by Santander's fraud prevention system, which isn't uncommon to protect customers from fraud or financial harm. He said, whilst inconvenient to Mr F, Santander had acted reasonably and wouldn't be expected to explain their internal procedures as to how they decide when a customer's account is to be blocked.

The investigator said Santander's investigation was completed promptly and the restriction was removed. As to Mr F's calls with Santander, the questions weren't unreasonable and were intended to protect his funds. He said Santander carried out due diligence on the property investment company and clearly explained their concerns about its website to Mr F.

Mr F disagreed with the investigator and requested an ombudsman review his complaint. He said Santander blocked his online account with no notification other than call this number,

and he couldn't pay local bills. He said Santander did no due diligence when blocking his account and never presented any evidence of a fraud and then backed off with a biased version of events. Mr F said it is his money, not the bank's and he now needs to protect himself from the bank. He said the legislation needs changing to protect bank customers.

### **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.

Mr F feels that Santander do not have the right to restrict his access to his account based on an inadequate investigation and spoke to him rudely.

I sympathise with Mr F for the difficulties he faced in making a payment and with his online account blocked. And I'm sorry to learn that Mr F has been caused a lot of inconvenience, embarrassment and loss of money, but I am pleased he received help from the staff at Santander's branch.

I've looked at the transaction he tried to carry out and Santander's handling of it to see if the bank acted within the terms and conditions of the account and to see if it has treated Mr F fairly. Having looked at all the circumstances, I agree with the investigator that Santander took justifiable protective measures with regard to Mr F's account and dealt with him fairly.

To explain, Mr F's prospective payment to a property investment company raised what appeared to be genuine concerns with Santander that a third-party might be trying to defraud Mr F. The payment was held up by Santander's fraud operations team to ensure it was protecting Mr F's funds.

Our service expects financial business to actively protect customers. And banks are subject to regulatory requirements to prevent fraud on their systems and are required to protect their customers. Santander has a duty of care to take steps to protect customers and the bank from falling foul of financial crime. Failures to identify and tackle potential fraud can result in banks being penalised by their regulator, the Financial Conduct Authority.

The regulations aren't prescriptive and so it's up to the business to put in place the appropriate measures. Firms are required to take a risk-based approach and have suitable systems and processes in place. If a regulated firm thinks there is a potential for a consumer to be the victim of an activity that is in breach of the relevant laws and regulations, it may restrict their account and carry out an investigation.

Santander's terms and conditions allow it to hold up payments and block an account where it thinks fraud may be happening. Santander explained that Mr F's transaction was deemed to be high risk, and its procedure is then to hold the payment until a security check is carried out. To be effective, banks have to take immediate action to minimise unlawful access to funds whenever there are concerns regarding a transaction. This means a payment has to be suspended before checks have been completed and customers are generally advised by text message to call the bank, as in Mr F's case on the same day. A block was placed on Mr F's account whilst further investigations were made and his online banking was restricted as a further precaution, whilst all other aspects of the account remained unrestricted.

Mr F agreed to make further enquiries regarding the company and Santander agreed to call Mr F back the following day. I can see that discussions with Mr F on 26 June 2025 about the attempted payment and his account became very difficult. Santander's adviser confirmed that an investigation would follow, and I can see that its fraud team carried out checks on the payee. I can't divulge these checks but can assure Mr F that Santander took its responsibility

seriously. The review concluded on 1 July 2025, and the payment cleared with the blocks removed. A text was sent to Mr F to confirm the blocks had been removed.

At this service we hope that firms will conduct these checks in a sensitive manner as they are by their nature intrusive and unwelcome to many customers. Certainly, Santander's policy is to approach these checks sensitively and it states, alongside its requirement to ask those questions, that if customers can't provide this information it will try to work with the customer to see what they can provide. However, Santander's adviser's manner in requesting the information alienated Mr F and the relationship broke down.

I've listened to the recordings of Mr F's calls with Santander. I think its requests for information concerning his payment transaction were standard bank questions relevant to the circumstances and it has provided its script of questions to advisers. By their nature these type of questions are detailed and intrusive. But I disagree with Mr F that they showed Santander's advisers were arrogant with an appalling attitude, and I also disagree that the whole procedure was overbearing and overreaching.

Mr F said Santander tried to extract unnecessary personal information from him. With respect to Mr F, it isn't for the customer to tell the regulated firms what their checks should consist of in order to meet the expectations of the law and its regulators. I don't know how many times this approach by Santander and the other financial institutions will have prevented fraudsters from benefitting from customer accounts, but I'm sure that millions of pounds have been diverted from the alarming range of fraudulent enterprises by the type of questions put to Mr F.

Santander told Mr F why it appeared the firm's website he was attempting to pay seemed suspicious. And said that they hadn't had any previous transactions to that company. Unfortunately, over the following days Santander remained concerned about the validity of the company. I agree with the investigator that Santander concluded its investigation in good time before lifting the restrictions and I'm satisfied that its communications were appropriate and acceptable.

Mr F refers to a Financial Conduct Authority note to banks about exercising caution in freezing current accounts in Mr F's circumstances. I don't think that Mr F is suggesting this overrides the banks' regulatory responsibilities. Mr F is aware that our service is not the financial regulator, and so it is outside of our remit to ask a business to change its policies or procedures. We can only ensure that regulated financial businesses have followed their own terms and conditions and internal guidelines – and I'm satisfied that Santander has on this occasion, and for good reasons. If Mr F has overall concerns about the way the financial regulations work, he can raise the matter with the regulator, the Financial Conduct Authority. He should note that the regulator will consider individual complaints.

By way of confirmation of my findings, all banks must protect customers from financial harm, and I'm satisfied Santander has done so. Santander can block a payee they have a concern about and the customer's online account. Due notification at the time generally takes the form of a text message.

I can see that banks have a difficult balance to strike, they have a responsibility to act on a customer's instructions, but also need to take steps to protect them from financial harm. This means I would expect Santander to stop any transactions if it has concerns, the consumer or the bank may be at risk of fraud.

As I think Santander has acted within the terms and conditions of the account and treated Mr F fairly and reasonably, I can't fairly hold the bank responsible for the wider financial and inconvenience impacts its decision has had on Mr F. I cannot tell Santander to pay compensation when I do not feel the bank have made an error.

**My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 December 2025.

Andrew Fraser  
**Ombudsman**