

## The complaint

A company, which I'll refer to as Y, complains about Santander UK Plc's (Santander) decision to decline its application for an overdraft.

Y said the application process was unfair and negatively impacted its director's personal credit rating. Y also said that when dealing with Santander in relation to other banking matters, its director was discriminated against by the bank.

In bringing this complaint, Y is represented by its director, who I'll refer to as Ms G.

## What happened

There is little dispute between the parties about the core events in this case. As I understand it, they are as follows:

- In 2018, Y opened a business account with Santander (the Account).
- On 18 December 2024, Ms G attempted to complete an on-line transaction on the Account. But she was unsuccessful because further security checks were necessary. So, Ms G called the bank and spoke to an employee.
- During their conversation, the employee explained that Santander had started introducing a voice identification system. He explained that the benefits meant customers would avoid lengthy verification questions when they called the bank. Instead, the customer would be asked to repeat a phrase, which in turn would trigger the voice recognition verification. The employee told Ms G that he would arrange to sign her up for this service.
- Ms G explained that due to a long-term illness, on certain occasions, she loses her voice and so, she was reluctant to sign up to use the new service. Nonetheless, after some persuasion by the employee, she did agree to go ahead.
- On 26 March 2025, Ms G and the bank had discussions about an application by Y for an overdraft. But the bank noticed that the name it had on its system for Ms G as director of Y, did not match the name in her passport which had been submitted as proof of her identity.
- Santander told Ms G that in order for them to conduct a personal credit check as part of the application process, her name needed to be updated on their system. To that end the bank asked Ms G to attend one of its branches with her passport so that on a face-to-face basis, her identity could be verified in branch.
- Ms G did so and on 26 March 2025 her name was updated on the bank's system.
- On 27 March 2025, on Y's behalf Ms G applied to Santander for a £15,000 overdraft. However, the following day, on 28 March 2025, Santander declined the application.
- Y believed the bank's decision was unfair and its processes unreasonable.
- On Y's behalf Ms G told us, in summary, that:

- Although in relation to the Account, the bank correctly observed that her name, as director of Y did not match the name in her passport, there are good reasons for the discrepancy. More specifically, her passport bears her family name, but she chose not to use it because it is well known in political circles and puts her at risk and potentially adversely impacts Y. So, to avoid such issues, instead of her family name she has generally used her first and middle names for such things as her credit cards and other personal accounts.
- In 2018, when the Account was opened, she presented herself to Santander – as Ms G albeit, the identification document she submitted confirmed her family name. The bank did not question the difference.
- In 2025, when she enquired about the overdraft for Y, the bank told her that the reason she had to attend its branch with her passport to verify her identity was because the Account wasn't set up correctly in 2018. But she did nothing wrong at the time, so this was an error that the bank made.
- Despite her disability, Santander nonetheless insisted that she had to sign up for their voice recognition security verification. That amounted to discrimination.
- The credit checks that were carried out by Santander damaged her credit rating which the bank should put right.
- Santander told us that:
  - When they receive an overdraft application, one of the many checks they're required to carry out is a 'know your customer (KYC) check – the purpose of which is to ensure that they have up to date and correct details of the relevant business. Additionally, for credit check purposes and to prevent potential fraud, they also need to ensure that they have the correct details of any company directors if applicable.
  - In March 2025, they noted there was a mismatch in Ms G's name as director of Y which made conducting their credit check problematic. It was for that reason, it became necessary for Ms G to attend its branch with her passport so that face-to-face verification could be carried out in advance of Y's application.
  - Y's overdraft application was not declined because of any issues surrounding Ms G's name. Rather, they declined the application because it did not meet the bank's risk appetite due to Santander's concerns about Y's ability to properly fund the business.
  - Their review of the phone call that took place between the bank and Ms G on 18 December 2024 doesn't support the allegation that they discriminated against her.
  - Y's allegation that they were responsible for negatively impacting Ms G's credit rating is refuted. Especially because despite asking for evidence to support the allegation, this wasn't provided.
- Y didn't accept the bank's conclusion and as the complaint remained unresolved, it was referred to this service to look into.
- Our investigator did so and came to the following conclusions - which I summarise.
- Dealing with Santander's conduct of a personal credit check on Ms G, she noted the following terms and conditions of the Account;

*"We'll collect and use personal data about any person named on your*

*application, appointed to operate your account or who has rights over the account.”*

- And she noted that in explanation of how this data may be used, the terms and conditions also said:  
*“To check your credit history and status with credit reference agencies if you apply for a loan, credit card or overdraft.”*
- Considering the terms and conditions, she concluded that the bank didn't act unfairly when it carried out a credit check on Ms G and there was no evidence to indicate the credit check adversely impacted Ms G's credit file.
- But more to the point, Ms G couldn't in any event complain about any personal impact on her arising from the credit search because under our rules she's not an eligible complainant.
- Our investigator also concluded that:
  - Evidence submitted by Santander showed that they declined Y's application because they were unable to verify its financial situation. More specifically because, when making their decision, Santander had regard to Y's 2024 annual accounts showing a turnover of £10,000 which was considerably less than the anticipated future turnover of £340,000 that Ms G confirmed as part of Y's application. Santander placed greater reliance on Y's most recent annual accounts – 2024 as opposed to any projected figures and it wasn't unreasonable for the bank to do so.
  - In order to mitigate potential risks to her, it seems likely that Ms G asked the bank not to use her family name when the Account was opened in 2018. But since it was the bank's requirement that the name associated with the Account and any identification documents aligned, Santander should have ensured this was the position from the outset. That way as a prerequisite to the overdraft application, Ms G would not have been required to visit a bank branch in March 2025 with her passport to verify her identity. Santander should therefore pay Y £50 in compensation for the resulting inconvenience to Y.
  - Santander didn't discriminate against Ms G in December 2024 when she was asked to sign up to their voice recognition verification procedure. Nonetheless, during the phone call on 18 December 2024, Ms G wasn't comfortable with using the system. Moreover, since then she has raised further concerns with the bank about this. In the circumstances and although no discrimination occurred, reasonably Santander should remove this functionality from the Account.
- Santander accepted the investigator's conclusions, but Y only did so in part. Specifically, Y accepted the investigator's recommendation that Santander should remove the voice recognition identity function from the Account. However, it did not think £50 properly acknowledged the impact on Ms G from having to deal with the bank in respect of the overdraft application. And Y maintains its position that the overdraft was declined unfairly. On Y's behalf therefore, Ms G has asked for an ombudsman's review of the case. In further submission she said – in summary:
  - The discrepancy between the turnover figures she gave, and those Santander obtained from Y's 2024 annual accounts is explained by the fact that Y had been partially dormant during the 2024 reporting year. Whereas at the time of the application in 2025, Y was in a much healthier financial state – including

significantly in February 2025 when it managed to secure a high street presence.

- It didn't seem reasonable for the bank to use figures from Y's 2024 accounts for an overdraft in 2025. Especially because the 2025 forecast that was submitted to the bank better reflected Y's position at the time. Santander relied on the 2024 data because it suited their purpose for rejecting the overdraft..
- Regarding her decision not to use her family name in 2018 when the Account was first opened, the bank did not question this decision at the time.

### **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 start by saying that I can see how strongly Ms G feels about this complaint. On Y's behalf, she's made extensive submissions both to the bank and to this service.

I want to assure Ms G that I have considered all the points she has made in her initial and subsequent submissions on behalf of Y. I mean no discourtesy in saying this, but my decision won't address all the points she has made. That is because in keeping with our role as an informal resolution service and as our rules allow me to do, I will focus on the issues I find to be material to the fair outcome of this complaint.

So, where I've omitted to comment on any specific point, it's not because I haven't considered it – I assure Ms G that I have. The reason I haven't is because I don't think I need to in order to reach what I think is the fair and reasonable outcome in this case. I turn now to the issues I regard as material.

#### *decline of Y's overdraft application.*

This is at the core of Y's complaint and so I'll address that first.

By way of context, I should explain that lending decisions are matters for a bank's commercial judgement. And, subject to what I'll come to in the next paragraph below, it's not my role as ombudsman to interfere with that judgement.

Santander decided they didn't want to grant the £15,000 overdraft Y applied for. I consider this was a commercial decision the bank was entitled to take, and it would not be appropriate for me to interfere with it unless I concluded Santander did not exercise their discretion fairly. In that regard a relevant consideration for me would include whether the bank took steps to fairly determine Y's ability to service the overdraft which would include its turnover figures.

It is Santander's case that the overdraft application was declined because they were unable to verify Y's true financial position. And I've seen the bank's internal records which support its position.

As mentioned above, the bank's records noted that there were discrepancies in the turnover figures that had been submitted on behalf of Y compared to the figures shown in Y's 2024 annual accounts. The investigator correctly noted the annual accounts showed Y's turnover for 2024 as £10,000 whereas Y had given its anticipated annual turnover in 2025 as £340,000. There was, therefore, a considerable difference in the figures.

Santander's records also noted discrepancies in the date Y had given as to when it commenced trading compared to the date recorded at Companies House.

But as Y's turnover was an important element in the bank's consideration, I've thought about Ms G's explanation regarding the reason for the discrepancy identified.

Ms G has told us that Y was largely dormant until February 2025 and consequently the 2024 accounts merely reflected the historic position. Whereas the figures Y submitted to the bank in March 2025 reflected the position at the time and going forward. In other words, she believes Santander should have relied on the forecast they were given.

Santander attached greater weight to the figures given in the 2024 accounts.

But in this connection, for me to uphold this part of Y's complaint, I'd need to find Santander had made an error or acted unreasonably. But I don't think they did.

I don't think it was unreasonable for the bank to attach greater reliance on Y's most recent filed accounts - which was for the year 2024. More to the point, as Ms G has told us, Y was back in full operation in February 2025. And its overdraft application was submitted a month afterwards with an anticipated turnover considerably in excess of that which had been achieved previously. In the circumstances, I don't think I can fairly conclude Santander were wrong to take into account Y's actual performance as determined from its most up to date filed accounts, rather than a forecast when at the time of Y's application, it had only recommenced full operation the previous month.

#### Impact of the application process on Ms G.

Y submitted its application on 27 March 2025, and the day after, on 28 March 2025, it was declined. I was sorry to hear of the impact of the application on Ms G personally. However, because this complaint has been brought to this service in the name of Y, as the limited company and the eligible complainant in this instance as per our rules, I can only consider the impact of the process on Y as I've done below. In other words, I'm unable to consider any impact that Ms G may have experienced herself in a personal capacity.

#### Issues surrounding Ms G's name.

In connection with the operation of the Account, I've noted Y's submission regarding the reasons for Ms G decision to omit using her family name. I'm sorry to hear that due to its political significance, Ms G felt at risk and was concerned that Y may be impacted negatively.

I have no reason to doubt Ms G's testimony that in 2018 when the Account was opened, the bank did not challenge her intention to omit using her family name. And furthermore, that also at the time, she presented identification documents to the bank - meaning it was nonetheless fully aware of her family name. So, I sympathise with Ms G that she didn't think she'd done anything wrong. In all likelihood Santander went along with things in the spirit of being helpful.

However, no matter the position in 2018, faced in 2025 with a mis-match in Ms G's names, in view of the necessity to be able to conduct a credit check on the correct person as part of the application process, I don't think the bank was wrong to take steps to put this right. It did so by requiring Ms G to visit its branch so that her identity could be verified on a face to face basis.

That being said, I agree with the investigator that ultimately the branch visit for the purpose just mentioned could have been avoided if in 2018 Santander had ensured that Ms G's family name was included in its records and matched her identification documents. In this regard and as part of the overdraft application process, I'm satisfied that Y as a limited company suffered inconvenience by having its director's time taken up with a visit to branch to verify her identity

I note Ms G doesn't think the £50 award recommended by the investigator goes far enough. I would say, however, that determining an appropriate award for inconvenience can be difficult. But such awards are not intended to be punitive for the financial business. In the circumstances of this case, I don't think the impact on Y of Ms G's branch visit warrants a further increase beyond the £50 the investigator recommended.

#### Credit checks of Ms G.

Our investigator has correctly explained the scope of our rules concerning eligible complainants. I don't think there is much that I can usefully add except this.

I agree that in this case Y is the eligible complainant for the purposes of this complaint. Also, I've not been provided with any persuasive evidence corroborating Ms G's allegation that her credit file has been impacted by anything the bank had done. More importantly, however, since Y is the bank's customer and the eligible complainant rather than Ms G, I wouldn't in any event have been able to look into any personal impact arising from these events.

#### did Santander discriminate against Ms G

In circumstances where, as result of something a bank has done wrong it then leads to the director of the company becoming unable to properly conduct the company's affairs, then that company can, by extension be inconvenienced. It is in that context I've considered this allegation that Y has made against Santander. In other words that Y has been inconvenienced by Santander's failure to give proper recognition to Ms G's disability and make appropriate and reasonable adjustments to enable her to operate the Account.

I've listened to the call that took place on 18 December 2024 when Santander is alleged to have discriminated against Ms G through their introduction of the voice recognition identity verification. Ms G did explain that on occasions she loses her voice, which in turn meant that on occasions she can't speak and so, being made to use of the voice recognition service might be problematic.

The employee did explain there was no requirement for Ms G to do so. Rather, that it would merely be in place to be used if Ms G wished to do so.

The upshot is, I've found no evidence suggesting Ms G was discriminated against and by extension Y because she was made to use a service to conduct Y's affairs which caused her significant difficulties. However, whilst Santander did not make an error, here nonetheless I acknowledge and understand Ms G's deep concerns about continued use of the service. I'm pleased therefore that Santander have agreed to remove the voice identification from the Account

#### **Putting things right**

As I mentioned earlier, I acknowledge Ms G feels very strongly about this complaint. I'm sorry therefore that my decision will come as further disappointing news to her and Y. But having considered all the evidence and arguments, I don't feel that Santander have acted

unfairly towards Y regarding most of the points I've discussed above. And in particular, that they acted unfairly by declining Y's overdraft application which is the crux of the complaint.

However, I agree with the investigator that there were difficulties that Ms G, as the director of Y, encountered when trying to arrange the overdraft on behalf of Y. Specifically having to visit a branch of the bank to verify her identity. As this inconvenienced Y, Santander should pay it compensation.

I am not persuaded that on 28 December 2024 Santander discriminated against Ms G. Nonetheless, I believe it's reasonable for the bank to suspend the voice verification option from the Account given Ms G's very deep concerns about it.

### **My final decision**

For the reasons stated above my final decision is I uphold this complaint in part. In full and final settlement of it, I recommend that Santander UK Plc should:

- Remove the voice recognition identity verification from the Account
- Pay Y £50 compensation for inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Y to accept or reject my decision before 17 October 2025.

Asher Gordon  
**Ombudsman**