

## **The complaint**

Mr M complains that Santander UK Plc have treated him unfairly in withholding his funds, restricting access to his accounts preventing him paying mortgage arrears and asking for information regarding the funds in the account. Santander then closed the account immediately, causing direct debits to be returned unpaid, and delays in Mr M receiving pension payments.

## **What happened**

Mr M had a bank account with Santander. In 2021 Mr M's account was blocked temporarily whilst Santander completed an investigation. The result of the investigation was that funds were removed from Mr M's account, and the account blocks were removed.

In June 2022 Mr M informed Santander, he'd been arrested, and his case was with the CPS, he discussed what proof he could provide to recover the funds that were removed from the account.

Santander were later made aware Mr M was serving a custodial sentence and updated his correspondence to his prison address. Santander blocked Mr M's account.

During Mr M's custodial sentence, he has reached out to Santander to request access to his account so he can pay mortgage arrears. He also requested the funds removed from his account be returned.

Mr M brought the complaint to our service, but at the time he hadn't shown he'd raised a complaint directly with Santander. We contacted Santander and asked it to investigate.

Santander provided its response to Mr M, it explained it had removed two separate amounts from Mr M's bank account, £9,219 and £3,715. It explained these were debited as they represented credits in fraud notifications they received from a third-party bank. Santander explained it didn't consider Mr M to be entitled to these funds.

It also explained that in order to withdraw funds in the account Mr M would need to attend a Santander branch with ID. It explained when a customer is in prison Santander places restrictions on the account. It cannot lift the restrictions entirely but in exceptional circumstances may be able to facilitate certain transactions to be carried out. Santander did not uphold Mr M's complaint but did acknowledge that at times he had difficulties discussing concerns with them and apologised for this.

Shortly after this letter Mr M was able to attend branch and withdraw funds from his account. Mr M paid these sums into a new account he'd opened.

Santander then made the decision to close the account with immediate effect and wrote to Mr M to explain this. This resulted in some of Mr M's direct debits being returned unpaid, and Mr M's pension provider, sending money to the closed account, delaying it reaching Mr M. When closing the account Mr M was sent a cheque for the final balance of the account. Mr M has told our service of his dissatisfaction regarding the abrupt closure of the account.

One of our investigators received everything and concluded that they don't uphold the complaint. They explained Santander had followed its own procedures when restricting Mr M's account, it did so correctly and were not unfair in applying those restrictions. They also considered Mr M had been informed of the restrictions.

They also considered Santander's review of the account and requests for evidence to support the source of funds. was in line with its legal and regulatory obligations, and it was fair and reasonable to request these. They considered the funds taken from Mr M's account in 2021, were not funds Mr M was entitled to and therefore it wasn't unreasonable for Santander to withhold these funds from Mr M.

They've considered the terms and conditions in relation to the immediate closure of the account, and found that Santander had acted within the terms of the account and in a fair and reasonable manner. They acknowledged this would've caused issues with Mr M's direct debits and receiving his pension, but because the account was closed fairly, couldn't hold Santander responsible for any impact Mr M suffered from it.

Mr M disagreed with the investigator. Mr M said being in prison he wouldn't be aware of terms or policies Santander had. He questioned whether the phone call information we had, provided the full context, and explained that the blocks were not made clear to him until a long time after they were in place. He highlighted further phone calls he felt were relevant. Mr M has clarified a point he's made regarding feeling discriminated against due to him being in prison, he's highlighted another prisoner who was able to get access to their Santander account.

Mr M expresses his dissatisfaction regarding our service receiving and relying on confidential information we are unable to disclose to him. He highlights the unfairness of this. Mr M says the funds that were removed from his account in 2021 were done so before he was arrested and never mentioned in his court hearing.

Our investigator provided a response, but because no agreement could be reached, it's 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'm aware I've summarised events of the complaint and in less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr M and Santander has said before reaching my decision.

I would add to, that our rules allow us to receive evidence in confidence. We may treat evidence in confidence from banks for a number of reasons – for example, if it contains security information, or commercially sensitive information. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll decide if it's fair to rely on it. Whilst I acknowledge the comments Mr M has made regarding the confidential information, here, some information is sensitive and on balance I don't believe it

should be disclosed. But it is clearly material to the issue of whether Santander has treated Mr M fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

#### *Removed funds*

In 2021 Santander were contacted by third party banks and provided with fraud notifications explaining funds that entered into Mr M's account were the result of alleged fraud.

Santander reached out to Mr M to ask for his version of events in relation to the alleged fraud. Mr M provided his explanation over the phone. Santander conducted its investigation and made the decision to remove the funds from Mr M's account in order to return the funds to the sender.

I've considered the evidence that Santander had reviewed in light of the circumstances, this includes some information I've received in confidence, and I'm satisfied Santander were entitled to consider that Mr M was not entitled to the funds it removed. I'm satisfied that Santander has acted fairly in sending the funds back to the third party, and that it was acting in accordance with its legal and regulatory obligations when it did so. I've considered the terms, and I'm satisfied that the terms and conditions of the account allow Santander to do as it did. I appreciate Mr M would want to know more about the reasons for Santander's decision, but Santander don't have to provide an explanation for its decision to Mr M, it wouldn't be appropriate for me to compel it to do so.

#### *Account restrictions*

It's Santander general policy that customers with custodial sentences will have their accounts restricted. This means that customers won't have direct access to the accounts, online and telephone banking credentials will often be removed, and cards might be blocked. It goes onto explain that in exceptional circumstances Santander may allow customers to service their account. Whilst I appreciate this won't be information Mr M would have known, having reviewed what happened here, I'm satisfied that Santander followed its own policies and procedures here.

I've considered whether, in the circumstances of Mr M's case Santander actions in following its policy were fair and reasonable. When considering the circumstances as a whole, including some information I've received in confidence, I'm satisfied that it was fair and reasonable for Santander to restrict the account in the way it did and limit the access to it in the way that it has.

#### *Account closure*

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.

The terms and conditions of the account which Santander and Mr M had to comply with, say that it could close the account by giving at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

In this instance Santander closed the account immediately with no notice. Having looked at the information given to me, I'm satisfied it was entitled to close the account in the way that it has done. Santander have written to Mr M to explain its actions on the account and explaining it was exercising this right action under the terms and conditions of the account and company policy. Santander provided a cheque for the full account balance at the same

time, and I'm satisfied that it's closed the account fairly.

I understand some of Mr M's bills were unpaid due to the timing of the closure of the account, and his pension took longer than it ought to have to be paid into his new bank account. I've seen evidence that Santander returned the pension payments back to the recipient promptly. As Santander were fair in closing the account, I don't consider it should be responsible for any impact the account closure had on Mr M his bills, or receiving his pension payment later than he ought to have.

### *Discrimination*

Mr M says he feels Santander has discriminated against him, given the problems he's experienced. While I appreciate Mr M's 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 M has said and when deciding what I think is the 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 a similar situation would have been treated in the same way. Having looked at all the evidence, I haven't seen anything to show Santander would have treated another customer with a similar situation any differently than Mr M. I'm satisfied that Santander treated Mr M fairly.

I do appreciate this matter has caused Mr M significant problems. But having looked at what's happened in this particular case I can see no basis on which I might make an award against Santander.

So I'm not going to ask Santander to compensate Mr M for any trouble or upset this may have caused.

### **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 M to accept or reject my decision before 16 October 2025.

Simon Yates  
**Ombudsman**