

The complaint

Mr I complains Santander UK Plc unfairly blocked and closed his accounts.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr I held multiple accounts with Santander, and in early May 2025 blocks were placed on the accounts. Santander made the decision to close the accounts on 20 May 2025 with immediate effect.

Mr I raised concerns about the handling of his accounts, and highlighted the block had a significant impact on him given the direct debits and payments that he needed to make. In its final response letter dated 16 May 2025 Santander explained Mr I could not make transactions on the account and he would need to find an alternative way to pay for his mortgage. It also highlighted the impact of any late or missed payments.

Given his ongoing concerns Mr I referred his complaint to this service. An Investigator reviewed their concerns and in summary, made the following findings:

- Santander's regulatory obligations mean it is entitled to carry out reviews of customer accounts. The account block was therefore fair.
- It was fair for the account to close with immediate effect based on the information Santander had available.
- There were no avoidable delays in its review and Mr I was aware of the closure.

Mr I disagreed with the Investigator's findings, explaining the financial impact of the immediate closure was significant as he had to borrow money from family and friends to pay his mortgage. As no agreement could be reached, the case has been referred to me – an ombudsman – for a final decision.

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 appreciate Mr I was disappointed by the investigator's opinion. I'd like to reassure Mr I that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No courtesy is intended by me in taking this approach.

I'll start by setting out some context for the review of Mr I's accounts. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there

may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. In Mr I's case I'm satisfied Santander was complying with these obligations when it reviewed Mr I's accounts.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Santander has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr I, but I'd like to reassure him that I have considered everything that he's told us.

Santander has provided details of the evidence it held that prompted its review and block of Mr I's accounts. I find this evidence to be compelling, and I consider its action to block the account to be fair and necessary in order for it to meet its legal and regulatory duties. The terms of the accounts held by Mr I allow Santander to block the accounts in specific circumstances. Given the information Santander has disclosed in confidence, I think its decision to block the accounts was appropriate. I understand Mr I's frustration with the block, and I don't doubt it would've had a detrimental impact on him. But I consider the block to be necessary to ensure Santander was able to comply with its regulatory requirements.

Mr I's account was blocked for 11 days, and Mr I says that Santander should compensate him for the impact this block had as he had to rely on family and friends to pay his mortgage. Blocking an account can have a serious impact on customers, so there is an expectation reviews are carried out promptly. In Mr I's case I think Santander acted swiftly, and I can't see that there has been any unnecessary delay in its review of the accounts whilst they were blocked. So I don't think Santander needs to compensate Mr I for the impact of its actions.

The review carried out whilst the account was blocked led to the ultimate decision to close the accounts held by Mr I. 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. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. 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. Given its regulatory and legal obligations, I'm satisfied Santander's decision was made fairly.

Mr I's accounts closed immediately, and Santander is able to do this in specific circumstances as set out in the account terms of each account. I appreciate this would've caused Mr I concern and it would've caused an expected level of inconvenience. Mr I says he wasn't told about the closure, but the contact from Santander regarding the closure was sent to the necessary address it held for Mr I, and the contact between Mr I and Santander at the time confirms his awareness of the account closures. I therefore am satisfied Santander took the necessary steps to inform Mr I of its decision and its actions were in keeping with the account terms.

I know this will not be the outcome Mr I was hoping for, and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Santander to take any further action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 16 January 2026.

Chandni Green
Ombudsman