

The complaint

Mr S complains that Santander unfairly closed his bank account without notice and without providing a reason.

What happened

Mr S, an international student studying in the UK, opened a bank account with Santander on 18 March 2025. He says that this account was to be used for his daily spending. Once the account was opened, he had a family member transfer in funds which he says were the savings he held in this family members account. Mr S has said this family member had been managing his finances previously.

On 20 March 2025, following an internal review, Santander decided to restrict access to the account. They subsequently closed the account immediately on 25 March 2025 and wrote to Mr S to confirm this – though he says he never received the letter. Mr S says he discovered that there was a problem with his account when he logged into his online banking and his funds had disappeared.

Mr S says he contacted Santander who would only tell him a letter had been sent – and that he didn't receive confirmation his account had been closed until he escalated the matter to Santander's complaints team.

Mr S complained to Santander about the closure of the account and the nature in which it was closed. Santander responded in its final response letter of 2 April 2024 where it didn't uphold Mr S's complaint. It said it had acted in line with the terms and conditions of the account and that it didn't need to provide a reason to Mr S as to why his account had been closed.

Mr S referred his complaint to this service. Following this, Santander made an offer of compensation to Mr S, of £500 to resolve his complaint. One of our Investigator's looked into the complaint and they recommended it was upheld - agreeing with Santander's offer. In summary, they said Santander were able to close Mr S's account without providing a reason but that two months' notice of the closure should have been provided and this would have undoubtedly caused Mr S some distress and inconvenience. They did however believe that Santander's offer of £500 was a fair reflection of the distress and inconvenience suffered by Mr S and that this was a fair and reasonable way to resolve the complaint.

Because Mr S disagreed, the matter was passed to me to decide. I then sent both parties my provisional decision which set out that I had decided not to uphold Mr S's complaint. For reference, here is what I said:

"Mr S has, in his detailed response to the Investigators findings, commented extensively on how the matters preceding this complaint have affected him and made him feel. I'd like to reassure Mr S that I've considered the whole file and what 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 discourtesy is intended by me in

taking this approach. I do stress however that I've considered everything that Mr S and Santander have said before reaching my decision.

I need to clarify that this service is unable to make findings on whether something constitutes discrimination as per The Equality Act 2010. This is because this service is an informal alternative to the courts, and only a court of law can make a legal finding based on the definitions set out within the act. However, my role is to decide a complaint according to what I consider is fair and reasonable in all the circumstances of a case, which alongside other matters includes taking into account the law, such as The Equality Act 2010.

Santander has strict legal and regulatory requirements it must meet whilst it provides accounts for its customers. They will set their own criteria for customers, and at least in part frame that around limiting the risk of breaching their obligations. To these ends, they will sometimes carry out reviews (either event driven or periodic), the result of which might mean an account is blocked and subsequently closed.

I've looked firstly at Santander's reason for closing the account. In doing so, I appreciate that Santander is entitled to set their own policies and part of that will form their risk criteria. And, in general it is not my role to decide what risk appetite Santander should have, albeit I can consider whether I find it has acted fairly in the individual circumstances of a case.

Santander has provided details of its decision-making process which explains why they closed Mr S' account. I have decided to accept this information in confidence - which is a power afforded to me under DISP 3.5.9R(2) of the Dispute Resolution Rules. I find the information is commercially sensitive and should not be disclosed. A summary of the information is it sets out Santander's criteria related to its commercial appetite and why Mr S falls outside of it.

I understand Mr S wants Santander to explain the reason it closed his account and has explained how its decision made him feel like a criminal. But it's important to say here that Mr S doesn't have to have done anything personally wrong for Santander to decide he falls outside their criteria. I realise too that it can't be pleasant being told you are no longer wanted as a customer, and I understand how this can be upsetting. But Santander is not obliged to tell Mr S the reasons it no longer wants him as a customer, and I can't say it's done anything wrong by not giving him this information.

On balance when considering Santander's wider regulatory responsibilities and all the information available to me, I find Santander had a legitimate basis for closing Mr S's account and not telling Mr S why. So, I don't find Santander treated Mr S unfairly when it closed his account. As I'm satisfied that Santander haven't acted inappropriately in this regard, it wouldn't be appropriate for me to award Mr S any compensation with regards to the decision to close the account.

I've next considered whether Santander acted in line with its terms and conditions when it closed Mr S's account. The terms and conditions of Mr S's account set out that Santander can close its accounts by providing two months' notice. And in certain circumstances immediately. In this case Santander feel they should have provided Mr S with two months' notice rather than shut his account immediately. But it doesn't follow that I must award Mr S compensation in these circumstances. Instead, I have to consider all the circumstances and information surrounding Mr S's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

On balance I've decided not to require Santander to pay Mr S compensation. I will explain why.

Santander sent Mr S a cheque for the account balance alongside the account closure letter on 25 March 2024. He says he was finally able to cash this cheque on 7 May 2024. Santander have confirmed that this was the only cheque they ever sent, and that it was never re-issued. So, I'm satisfied Mr S must have received the closure letter. I'm unsure why Mr S wasn't able to cash the cheque until around six weeks later but I would be unable to hold Santander responsible for any delays in the postal service if this had caused any of this delay.

Having looked through the complaint file provided by Santander I can't see that it has ever been able to discuss the complaint on the telephone with Mr S despite repeated attempts to do so. It looks to have only ever been able to contact his family member, who specifically requested Santander discuss the complaint with them on a given telephone number. This, unusually, is the same telephone number that Mr S gave as his own on his original account opening application. I find this concerning given it is Mr S who is Santander's customer and whose phone number should be associated with his account. I'm satisfied it ought to have been relatively easy for Santander to have spoken to Mr S over the phone about his complaint, and it's unusual they couldn't.

It has also been noted in the complaint file that on one occasion this family member attempted to impersonate Mr S during a telephone call after Santander had asked to speak to him to verify his identity and discuss his complaint which is again unusual. I find these factors concerning and to my mind they cast sufficient doubt on the purpose of the account and its use.

Mr S feels he has been discriminated against by Santander. He says he believes his account was shut due to his Iranian nationality. While I appreciate this is Mr S's perspective, as I explained previously 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 S 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. And after looking at all the evidence, I've don't find the decision to close his account was unfair.

Having considered all of the circumstances regarding the account closure and the unusual activity I've described during the complaint, I have provisionally decided that awarding Mr S compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint. For clarity, I'm not requiring Santander to pay the £500 they offered previously either. If Santander still want to make this offer and Mr S wants to accept it, they will need to arrange this outside of our service's involvement."

Mr S responded in detail to say he disagreed with my provisional outcome. Amongst others he has raised points in response to my decision to accept certain information in confidence, my findings that his unavailability was unusual and that Santander had sent him a cheque on 25 March 2024; and also with regards to the role, if any, his nationality played in Santander's decision to close his account.

Santander did not provide any further comments following my provisional decision. As such, I'm now making my 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've decided not to uphold Mr S's complaint for the same reasons I gave in my provisional decision. My findings are repeated above and form a part of my findings for this final

decision.

I understand that Mr S is disappointed I have chosen to accept certain information in confidence as referred to in my provisional decision. This is a power afforded to me under the DISP rules and having thought about this carefully, including the commercial sensitivity of the information, I find that this should not be shared with Mr S. Santander is not obliged to tell Mr S the reasons it no longer wants him as a customer, and I can't say it's done anything wrong by not giving him this information.

Having considered what Mr S has said in response to my provisional decision I am still making the finding that it is unusual for Santander not to have been able to discuss the complaint with him despite repeated attempts to so. Considering this, and that his family members telephone number was given as his own on the opening application and that there is a record of this family member pretending to be Mr S on a call; I am still reaching the conclusion that there is sufficient doubt on the purpose of the account and its use. I'm satisfied that the number associated with his account should have been Mr S' and not someone who wasn't authorised on the account, and that this ought reasonably to have been understood by Mr S even in the circumstances he has described.

Mr S has referred to the FCA principles for business explaining that he doesn't feel Santander have followed these. Having considered Santander's actions in making its decision to close Mr S's account I don't find that it has gone against the business principles set out by the FCA. I have acknowledged that Santander felt it should have given Mr S two months' notice of the closure but that it doesn't necessarily follow I must award compensation. And for the reasons I set out in my provisional decision I am still making the finding that awarding compensation would not be a fair and reasonable outcome.

As explained in my provisional decision it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. As I also explained having considered the provisions of The Equality Act 2010 alongside all the evidence, I don't find the decision to close Mr S's account was unfair.

Santander sent Mr S a cheque for the account balance alongside the account closure letter on 25 March 2024. Mr S has explained that he feels I have treated Santander's issuance of this cheque as equivalent to access to his funds. I disagree. I am not awarding redress for the immediate closure of the account or not providing prior notice. And I am still making the finding that Santander did nothing wrong in its issuance of the cheque, which then led to a subsequent delay in Mr S accessing the funds that were in his account.

I understand that Mr S responded in a great deal more detail to my provisional decision than I have responded to here. No discourtesy is intended by me doing this but having considered the other points he has made I feel I have nothing further to add to my findings as listed in my provisional decision and here above. I have decided that awarding Mr S compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 November 2025.

Mark Louth

Ombudsman