

The complaint

Mr S complains that Santander UK Plc ('Santander') closed his accounts and provided him with misleading information.

What happened

Mr S had a basic and current account with Santander. In February 2025, Mr S attempted to use his debit card and it was declined. Mr S contacted Santander and he was advised that a restriction was placed on his account. When Mr S got in touch with Santander again a few days later, he was advised to go into a branch to get the blocks on his accounts lifted.

Mr S visited his local branch and subsequently telephoned Santander to explain that his card still wasn't working. Mr S was told over the phone that the restriction on his accounts had been lifted. Unhappy, Mr S complained.

In its final response, and in summary, Santander said:

- Mr S was given wrong and misleading information from advisors when he phoned Santander
- Mr S' accounts were closed and the decision to do so was correct and in line with the account terms and conditions
- Santander wrote to Mr S in December 2024, to inform him it would be closing his accounts and had sent Mr S cheques for the remaining account balances
- £100 compensation had been offered to Mr S for the poor service he experienced but Mr S hadn't accepted it

Mr S referred his complaint to our service. He said he didn't receive the account closure notice from Santander to inform him that his accounts were going to be closed and he was no longer a resident in the UK. Mr S added that when his card was declined and he no longer had access to his funds, it caused a significant impact on him because he couldn't buy food and pay for other essential expenditure for him and his family. He said the situation had affected his health and he had to borrow money from others to help him.

One of our Investigators looked into things and didn't uphold the complaint. In summary, they said:

- Santander fairly closed Mr S' account, in line with the account terms
- The closure notice was sent to the address Santander held for Mr S. Mr S said he'd informed Santander to change his address to his overseas one but couldn't recall exactly when this happened. So, there wasn't sufficient evidence to show that Mr S had requested for his address to be updated

- Santander acknowledged it had provided Mr S with misleading information and the £100 compensation offered was fair
- Santander sent Mr S a letter in December 2024 to explain it would be closing his accounts with two months' notice.

Mr S disagreed. In short, he explained that there had been different occasions since he had opened his accounts that Santander had questioned him about the account activity and his accounts had been blocked in the past. Mr S felt the compensation Santander offered was unfair given the inconvenience caused and the overall impact to him.

Another of our Investigators looked into things again and partially upheld the complaint. In summary, they said:

- Mr S said he's asked Santander to send correspondence to his overseas address but Santander had sent the closure notice to a UK address. Mr S couldn't provide the exact dates he had updated his address and Santander didn't have a record of this either, so the Investigator was unable to make a finding on this point and considered it was fair for Santander to have sent the closure notice to the address it sent it to
- Santander had provided partial information to our service regarding the reason for its decision to close Mr S' account and with the limited information available, it wasn't possible to conclude Santander had closed Mr S' account fairly
- The compensation amount of £100 that Santander had offered for the poor service it had provided to Mr S was fair
- Mr S hadn't supplied any evidence to support the financial impact he said the account restrictions and closures had on him
- Santander ought to pay Mr S an additional £150 compensation in recognition of the distress and inconvenience caused by the unfair closure of his accounts

Santander agreed to pay Mr S the additional compensation amount. Mr S said he disagreed with the outcome, so the matter has been passed 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.

Account closure

A bank is entitled to close an account just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

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

Whilst Santander hasn't provided full details regarding why it decided to close Mr S' account, I note its decision relates to Santander's commercial discretion regarding who it decides to offer accounts to, as well as its risk appetite. I consider Santander has exercised its commercial discretion here in deciding not to offer Mr S an account and this isn't something our service generally interferes with, nor can I say Santander acted unfairly in deciding to close Mr S' accounts, given the individual circumstances of this complaint.

It's possible Mr S would want a more detailed explanation here, but Santander is under no obligation to do so.

I can see from Santander's submissions, that it was aware of Mr S' overseas address since 2023, when Mr S said he updated his address with it. So, I think Santander should've sent Mr S the account closure notice to his overseas address, which was registered as Mr S' address, so the correspondence could reach Mr S in the country he resided in. This would've likely given Mr S time to make arrangements to transfer his funds elsewhere and he wouldn't have learned his accounts had been closed in the abrupt manner he did.

Service

It isn't in dispute here that Mr S was provided with misleading information, including being told that he should go into a Santander branch to have the account restrictions lifted and that the restrictions were lifted when they hadn't been. Overall, I consider the £100 compensation Mr S was offered by Santander in recognition of the multiple service and communication issues to be fair. Santander has also apologised and acknowledges the level of service it provided should have been better

Impact

I've no doubt Mr S went through a difficult and challenging time when he discovered he could no longer use his Santander accounts. Mr S has explained he wants Santander to provide him with a substantial amount of compensation, due to the distress and inconvenience he experienced.

I've thought carefully about the points Mr S has made alongside the fact that I consider Santander should've sent the closure notice to Mr S' overseas address. But as Mr S hasn't shared any evidence to show the impact the situation had on him despite it being requested, I don't see any basis to change the recommended compensation.

So, taking everything into account, I don't find Santander should award additional compensation, nor do I consider that I need to invite additional comments from either party regarding this point, for the reasons I've mentioned. I think the £250 compensation overall is fair compensation for the distress and inconvenience Mr S has suffered. I'm persuaded it reflects that Santander should've sent Mr S the closure notice to his overseas address, the poor customer service he received, and the impact Mr S says he experienced overall, due to Santander's errors.

My final decision

For the reasons above, I have decided to uphold this complaint in part. Santander UK Plc must now put things right by paying Mr S £250 compensation overall.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 December 2025.

Khadijah Nakhuda
Ombudsman