

The complaint

Miss M is unhappy Santander UK Plc blocked and closed her account.

What happened

Following Miss M applying for a savings account, Santander blocked Miss M's current account on 7 May 2025 whilst it carried out a review. Following this review, they took the decision to close her accounts and wrote to Miss M on 8 May 2025 to let her know about this decision.

The letter explained that following her application for a savings account, Santander had found a fraud marker recorded against her name. They explained her application had therefore been declined and her accounts would be closed in 60 days' time. Santander advised Miss M to contact Synectic Solutions (who run the National SIRA database) and if the fraud marker was incorrect, she could contact Santander to let them know.

Miss M says she tried to use her card on 7 May 2025 as she was preparing to travel abroad for work. She was unable to do so or login to her account, so she called Santander. On this call Miss M says she was told her account had been blocked for fraud concerns, but the advisor refused to give any further details. She says the advisor made a discriminatory comment on this call.

Miss M has provided evidence she contacted Synectic Solutions and CIFAS to check if there were any fraud markers recorded against her, and this showed no markers.

Miss M says the block and closure has had a big impact on her life. She explained she's suffered a loss of earnings, had to liquidate her assets and borrow from family to cover basic living costs. She's said the closure has damaged her credit rating and she's accrued arrears, missed payments and defaults on her debts. Finally, Miss M says she's suffered psychological harm to the extent she is undergoing three different therapies.

Santander didn't uphold Miss M's complaint about the block and closure of her account, explaining they did this to comply with their legal and regulatory obligations, and they can't always go into detail about why. They acknowledged Miss M had approached Synectic Solutions and this showed no fraud marker. However, they advised her to check again using any other variations of her name used on accounts she's held previously. Santander sent Miss M a cheque for £50 as a gesture of goodwill because the advisor she spoke with couldn't go into detail about why her account was closed.

Miss M remained unhappy so referred her complaint to our service. Our investigator didn't uphold Miss M's complaint. She concluded that Santander acted fairly in blocking and closing Miss M's account in line with their legal and regulatory obligations. She was satisfied Santander had shared what they were able to with Miss M regarding their reasons and what it had found recorded with Synectic Solutions.

Miss M remained unhappy, reiterating the impact the matter has had on her. Because Miss M disagreed, the complaint 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.

I'm very sorry to hear the impact this matter has had on Miss M and the difficulties she's been facing both financially and emotionally. My decision is in no way meant to belittle this or take away from what she is feeling. However, my role is to look at the evidence before me and having done so, I won't be upholding Miss M's complaint. I'll explain why.

Account block and closure

Santander has a wide range of legal and regulatory obligations they must meet when providing account services to their customers. This includes monitoring accounts, knowing their customers and verifying the source and purpose of funds moving through accounts. These obligations are ongoing so don't just apply at account opening stage. If Santander didn't do this, they could risk serious sanction.

To comply with these obligations, Santander may need to block an account whilst a review takes place. So, while I accept the block caused Miss M inconvenience, I find Santander acted fairly and, in the circumstances, had no obligation to tell her beforehand that they were going to apply a block to her account.

Sometimes reviews will lead to accounts being closed, as is the case with Miss M's account. Santander are entitled to decide who they do business with, just as Miss M can decide who she wants to bank with. But it should be noted, that if a financial institution chooses to close an account, they should do so in line with the terms and conditions of the account, and their reasons should be legitimate, fair and non-discriminatory. I note that Santander gave Miss M 60 days' notice of the account closure, but as the account was blocked during this time, I consider this to be equivalent to an immediate closure. Having reviewed what Santander has said, I'm satisfied it was entitled to close Miss M's account, and do so immediately, and did this in line with the terms and conditions and its legal and regulatory obligations.

I appreciate Santander didn't give Miss M much detail around their reasons for blocking and closing her account and this undoubtedly caused Miss M worry. But I'm satisfied Santander doesn't have to. The rationale behind these decisions is often commercially sensitive. Santander does however have to share their reasons with our service, so we can ensure they are acting correctly. Our rules allow us to accept evidence in confidence, and it wouldn't be appropriate for me to share the reasons with Miss M, for the same reason as above. But I hope that it helps Miss M to know that someone impartial and independent has looked into her concerns.

Santander did, however, tell Miss M it had found a fraud marker recorded against her. I appreciate Miss M has checked with both CIFAS and Synectic Solutions and this came back with no matches. Whilst I appreciate this, I have found no error in what Santander has told this service regarding this. They advised Miss M in the final response to provide CIFAS and Synectic Solutions with all variations of her name which she may have used previously for applications. I find this to be reasonable in the circumstances.

I'm pleased to see Santander informed Miss M on the phone call on 7 May 2025, and in the letter it sent on 8 May 2025, that she was able to withdraw the funds in her account at any time. So, I'm unable to conclude that the account block or closure prevented Miss M accessing the money in her account should she have needed this.

Discrimination

Miss M says she feels Santander have discriminated against her. While we take any allegation of discrimination seriously, we are an informal dispute resolution service, meaning we don't have the power to decide whether or not Santander is in breach of the Equality Act 2010, as only a court has the power to do this. What we can do is take relevant law and regulation into account when deciding what's fair and reasonable in the circumstances of a complaint. And overall, I've seen nothing to suggest Santander's actions were down to any of Miss M's protected characteristics. Instead, as explained above, I'm satisfied the decision was a legitimate commercial decision that Santander were entitled to make.

I've also listened to the call from 7 May 2025 in which Miss M says the advisor made a discriminatory comment and I'm satisfied this wasn't the case. The advisor wasn't able to tell Miss M much about her account block which I appreciate was distressing for her, but as explained previously, Santander was under no obligation to do so.

Overall, whilst I'm sorry to hear the impact the block and closure had on Miss M, I'm satisfied Santander acted within the terms and conditions of the account and their actions were fair and non-discriminatory. This means I won't be asking them to compensate Miss M or take any further action.

My final decision

My final decision is that I don't uphold Miss M's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 18 December 2025.

Sarah Brimacombe
Ombudsman