

## **The complaint**

A company, which I will refer to as B, complains that Santander UK Plc unfairly terminated its Bounce Back Loan (BBL) and closed its bank account.

B is represented in this complaint by its director, Mr W.

(Mr W has made a separate complaint on his own behalf, and I have issued a separate provisional decision with my findings on that complaint.)

## **What happened**

In early 2020, B had a bank account with Santander. It applied for a BBL of £40,000, which was approved and drawn down on 1 July 2020.

Santander told us:

- In July and August 2024, wrote to Mr W asking him to provide it with evidence as to B's turnover, as well as evidence that the BBL funds were used for the benefit of B. It did not receive a response from Mr W (Mr W later explained that he did not receive Santander's letters).
- In August 2024 it sent several emails asking Mr W about B's turnover. Again it did not receive a response, so it applied a block to B's bank account.
- On 8 September 2024 Mr W contacted the bank, and it agreed an extension so he would have more time to provide the information it had requested.
- On 20 September 2024 it wrote to Mr W to give him 30 days' notice that it was closing B's account. It later closed the account as it had said it would. It also terminated B's BBL and asked for immediate repayment.
- On 18 November 2024 Mr W provided some information about B's turnover, but the bank was not satisfied with that information. He provided further information on 19 and 22 November 2024, but the bank was not satisfied with that information either – and noted that Mr W had provided three different figures for B's 2019 turnover.
- Despite several requests, Mr W did not provide it with B's tax returns for the year ending in 2019 – which means it was not able to see the income that was declared to HMRC.
- It does not consider that it made any errors in blocking and then closing B's account.

Mr W told us that Santander gave him the wrong information – it told him during one call that specific evidence was needed, then later explained that that evidence was not needed after all. Mr W considers that Santander's errors prevented him from being able to provide the information that Santander needed.

## My provisional decision

I issued a provisional decision on this complaint, and said:

“Under the rules of the Bounce Back Loan Scheme, an applicant could borrow a maximum of 25% of their annual turnover. Santander says that Mr W declared a turnover of £160,000 in the loan application he submitted on B’s behalf, and it approved the application on that basis. But Santander was entitled – and expected – to continue to keep matters under review. This is in line with its anti-fraud obligations both under the Bounce Back Loan Scheme and its wider legal and regulatory requirements. So I don’t think Santander did anything wrong in choosing to review matters some years after the loan was drawn down.

Santander says that Mr W and his representatives provided three different turnover figures for B. I acknowledge that Mr W has said that he did not give three different figures, but I note:

- The financial statements Mr W provided on 18 October 2024 show a turnover of £65,289 for the year ending 31 August 2019.
- Mr W’s accountant’s letter of 25 October 2024 said that B’s income for the financial year ended 31 August 2019 was £164,301 (split as £66,950 for “weekly income records” and £97,351 for “income from artists rentals). His accountant also said that the company received £39,832 from faster payments, £3,112 from bank transfers, and banked £99,040 as cash. He said the balance of £22,317 of “sales not banked ... was explained to me as money which had been paid in cash by customers by used for wages and expenses incurred by [Mr W] before it was banked”.
- His accountant’s letter of 18 November 2024 said that B’s income between September 2019 and 22 March [2020\*] (a period of less than a year, and beginning after 31 August 2019) was £83,571.
- Mr W has not provided B’s tax returns to Santander, despite repeated requests.

[\* In my provisional decision, I wrongly said that Mr W’s accountant’s letter of 18 November 2024 discussed B’s income up to 22 March **2022**, but I should have said 22 March **2020**.]

In the circumstances, I consider that it was reasonable for Santander to conclude that Mr W had not shown that B was eligible for the £40,000 BBL. I accept that there may be an explanation for the significant difference between the turnover shown on the financial statements and the turnover given in the accountant’s letter, but I cannot see that Santander has ever been provided with such an explanation. In addition, I think it was reasonable for Santander to want to see tax returns given the accountant’s reference to £22,000 or so of “sales not banked”.

I acknowledge that Mr W says he would have been able to provide the information Santander needed but for Santander’s errors. But I don’t agree. I consider that Santander has given him ample opportunity to demonstrate B’s 2019 turnover (and I note that it has repeatedly asked for B’s tax information, which Mr W has not provided). Even if one of Santander’s staff members did give incorrect information

during one call, I do not see why that would have prevented Mr W from later giving Santander information about B's turnover.

In any event, I can see that the loan funds were almost immediately transferred to Mr W's personal account. He has not been able to provide the bank with an explanation of what the funds were used for, and the bank is not satisfied that they were used for business purposes. I note that Mr W has explained that he found it very difficult to use his company's bank account, and his accountant has said that "it is impossible to trace which funds were used for specific expenditures". But looking at the available evidence, I can still see why Santander is concerned that the funds borrowed by B may have been used for Mr W's personal expenditure.

Having determined that B had not demonstrated its eligibility for the BBL, again I think it was reasonable for Santander to take steps to recover the loan. Santander says that under the terms and conditions of the BBL, it was entitled to terminate the loan and demand its immediate repayment in certain circumstances – including where it believed that it had been given misleading information as to a borrower's eligibility for the BBL. It is common banking practice to include such terms in loan agreements, and I don't think there was anything unusual or unfair in Santander's doing so.

I don't doubt that the closure of B's account and termination of its BBL impacted both B and Mr W. But for me to require the bank to compensate the company for this, I'd need to find that the bank did something wrong or unfair in taking these actions. And for the reasons I've explained, I don't think it did. So I'm not intending to require Santander to take any action in response to this complaint."

Mr W did not accept my provisional conclusions, and provided further evidence and arguments which I confirm I have read (and listened to) in full.

### **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.

Having done so, I have come to the same conclusions as I did in my provisional decisions. I now confirm those provisional conclusions as final.

I am sorry that I did not discuss B's Company Tax Return for the year ending 31 August 2019 in my provisional decision. Mr W did not provide that document when Santander first requested it, but he later provided it to us. I note that the tax return shows "Total turnover from trade" of £65,289. No other income is recorded on the tax return. Santander has told us that even if it had seen B's tax return earlier, it would still have made the decision to terminate B's BBL and ask for immediate repayment. I accept the bank's evidence on that point, because I don't think the tax return demonstrates that B had the level of income that Mr W claimed on the BBL application form.

I acknowledge that Mr W feels very strongly that the evidence he has provided to Santander in respect of B does show that B was eligible for the BBL. But I disagree with him. Taking into account all of the evidence he has provided to both Santander and the Financial Ombudsman Service, I am not satisfied that he has demonstrated that B's turnover was as high as he declared on the BBL application. I accept that Mr W may have made a genuine mistake, either in respect of the BBL application or in respect of other documentation, but I still think Santander's actions were fair and reasonable in light of the information that Mr W had disclosed to it. It follows that I do not uphold this complaint, and I make no award.

**My final decision**

My final decision is that I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 11 February 2026.

Laura Colman  
**Ombudsman**