

The complaint

Mr N complains that Santander UK Plc unfairly closed his personal accounts and provided him with a poor level of service, when carrying out its Know Your Customer (KYC) process.

What happened

In December 2023, Santander wrote to Mr N asking him to contact the bank to provide some information. Mr N complains about the service he received from Santander and says:

- Santander's initial letter provided him with a contact number to call the bank on, but this number failed to connect.
- The bank failed to live up to call back agreements.
- He was abroad when Santander first wrote to him, so he didn't find out about the letter until only a few days before the deadline provided.
- Santander wrote to him explaining that it would restrict access to his accounts.
- He was asked unreasonable questions over the phone by the bank, and he feels Santander was aggressive and intimidating, onerous in its requests and provided him with unreasonable timescales.

By the end of January, Santander had decided to issue Mr N with notice of closure of his accounts – providing him with a two-month notice period. Santander also issued a response to Mr N's complaint about the poor service he'd experienced, awarding £100 compensation to him. The bank's final response mentioned that some of Mr N's accounts would be closing in July 2024. Although Santander has since pointed out that this was a typing error, Mr N relied on what he believed to be an extended notice period.

During the notice period, Mr N engaged with Santander over the phone and submitted the requested documents. He says the bank's portal functionality made it challenging for him to submit the relevant documents, causing him to spend several hours at a time uploading documents.

Santander closed Mr N's account in April in line with its two-month notice period. The bank says Mr N hadn't provided all the required documents, so it decided to continue with the closure of his accounts. Mr N is unhappy that Santander unexpectedly closed his accounts in April instead of July – as per its final response of January 2024. He also says he received verbal confirmation that the notice period had been extended until July 2024.

Mr N is of the position that he provided everything that Santander had requested, so the bank unreasonably closed his accounts. Mr N feels that Santander had already decided to close his accounts as of December 2023, deliberately making the KYC process difficult for him so it could inevitably terminate its banking relationship with him.

In referring his complaint to this service, Mr N says he was caused significant distress and inconvenience. He feels the £100 compensation already paid to him doesn't fairly make up for the bank's failings and he wants Santander to reimburse him for interest he would have earned.

Santander stands by its decision to close Mr N's accounts, pointing to the documents he provided as being incomplete. The bank says Mr N submitted a copy of his passport but didn't include the signature page. The bank also required a specific tax document that it says Mr N failed to submit. Santander agrees that it made a typing error in its final response of January 2024 and offers Mr N an additional £100 compensation because of this.

Our investigator issued their outcome, explaining that Santander's closure decision was fair. The investigator agreed that a further £100 compensation was a fair way to settle this complaint.

Mr N disagrees as he wants a higher compensation figure. He remains adamant that he submitted the required documents. As Mr N didn't agree, the complaint has been passed to me for a final review.

Mr N's complaint also concerns Santander's actions regarding his business accounts, which I'll address under a separate case.

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'd like to start by saying that I've considered all the arguments and evidence provided by both parties, but in this decision, I'll be referring to and focusing on what I consider to be the main points. No courtesy is intended by this. We aim for our decisions to be as concise as possible.

I share the investigator's conclusion that a further £100 compensation fairly resolves this complaint. I'll explain why.

Santander is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations when providing account services to customers. These obligations generally cover the entire period of its customer relationship – from application to eventually the end of the relationship. This includes KYC checks and/or Customer Due Diligence. It's worth noting these checks include not just the verification of a customer's identity but also establishing the purpose and intended nature of the business relationship and origin of funds. I'm satisfied that Santander's request for information was in line with the account terms and its general regulatory obligations.

Santander has already addressed the service problems Mr N experienced initially, so I won't go into detail about this as the bank accepts there was a failing here. In its December 2023 letter, Santander provided Mr N with a telephone number for him to contact the bank, but this number failed to connect. And when Mr N did manage to speak to the bank, it seems there were some service issues such as call back arrangements not being met by the bank. I can appreciate this would have caused Mr N some distress and inconvenience, particularly as it's evident from the calls that he was abroad, and the time difference had already caused some challenges.

I note though that Mr N continued to have access to his accounts and, by the end of January (when Santander issued its original final response), it seems Mr N had a clear understanding on how to proceed. So I'm satisfied that the bank's £100 compensation that it has already paid fairly puts right the impact of its service errors.

Mr N raises concerns about the questions and information Santander asked of him, as well as the challenging deadlines he says the bank provided. Mr N also points to problems he

experienced uploading his documents via the bank's portal – he says the way the portal is designed to work meant it took him much longer than expected to upload his documents.

It's not within my remit to determine the processes Santander should have in place as part of the application of its regulatory duties – this is something that only Santander can decide and that the regulator can influence. I've considered some of the questions I can see Santander asked Mr N and the documents he submitted. Based on what I've seen, I don't agree that Santander was unreasonable in its questioning.

I appreciate that Mr N found he needed to provide a fair amount of documentation, so I understand why he may have found the process to be onerous. But I can't see that Santander did anything wrong, which caused the process to be more onerous than usual. I note that Mr N did mention during some of his calls with the bank that he experienced some challenges using Santander's portal. Again, it's not for me to instruct Santander on the design of its systems. But the bank has confirmed that it had found no evidence of there being a technical issue around the time.

So although Mr N seems to have experienced some difficulties, it seems more likely to me that this was due the fact that he had a significant number of documents to upload, rather than there being an underlying problem with the portal itself.

I've considered the timescales provided by Santander and I don't find these to be inappropriate either. Santander's initial letter that it sent in December 2023 asked Mr N to get in touch within 14 days. And, although Mr N was issued two months' notice of his accounts being closed, Santander provided him with the opportunity to prevent the closure throughout the notice period – by submitting the relevant documentation.

I appreciate meeting deadlines would have been challenging for Mr N, particularly as he was abroad at the time. But it seems to me that the challenges Mr N faced with the bank's deadlines was more likely an inherent part of liaising with a UK-based banking provider whilst abroad – I haven't seen any evidence that Santander did anything unreasonable, making it more difficult for Mr N to meet the bank's deadlines.

Mr N's main concern is that his accounts were closed in April, rather than in July – as advised by Santander in its final response letter of 31 January 2024. He also says this was confirmed over the phone. Mr N maintains that he submitted all the required information so the bank shouldn't have closed his accounts. Santander says the reference to July was a typing error and has since offered a further £100 compensation because of this. The bank says its notice of closure issued a few days earlier correctly set out the date Santander planned to close Mr N's accounts. The bank says that Mr N didn't provide a complete copy of his passport and the relevant tax document, so it went ahead with the closure of his accounts.

I can see from both Mr N's submissions and the bank's record that Mr N uploaded documentation twice in February. Santander has demonstrated that it tried to contact Mr N in March to follow up but was unable to reach him. As the information Santander required was incomplete, I'm satisfied it was reasonable for the bank to move forward with the closure of Mr N's accounts. Mr N believes Santander had already made its closure decision around December 2023 and would have closed his accounts regardless of the information he provided. But I've seen no evidence that the closure decision was made prior to Santander's issuing of a closure notice to Mr N.

Mr N and Santander have both provided date stamped copies of some the information Mr N submitted. I can see from this that the information was incomplete in the way Santander points out – the signature page is missing from the copy Mr N provided of his passport and

the tax document isn't exactly what Santander required. Mr N says he was unable to download the relevant tax document, so he provided an alternative, and claims he did provide a full copy of his passport. However, I've looked at the version he sent us and the date stamp on this is recent – so I can't reasonably conclude that this is the version that was sent to Santander. Given Mr N didn't satisfy Santander's request in full, I'm persuaded the bank's decision to move forward with closing his accounts was fair.

I appreciate Mr N feels strongly that his accounts shouldn't have been closed at least until July. But I'm satisfied his accounts were closed in line with the two-month notice period Santander provided. And I haven't seen any evidence that a change to this period was communicated verbally to Mr N. Moreover, Santander's internal records show no mention of the timeline being extended to July. So I'm satisfied this was a typing error as Santander says.

I acknowledge though that Santander misinformed Mr N and created a misleading expectation that his accounts would remain open at least until July. I'm satisfied though that the additional £100 compensation offered by the bank is a fair way to put right the distress and inconvenience caused to Mr N because of Santander's error.

Overall, I'm satisfied Santander applied its KYC process fairly and it acted reasonably when it decided to close Mr N's accounts. I'm also satisfied that Santander's compensation offer fairly puts right the impact of the error the bank made. So I won't be asking Santander to do anything else in relation to this complaint.

My final decision

I'm upholding this complaint. Should Mr N accept, Santander UK Plc should pay him £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 7 January 2026.

Abdul Ali
Ombudsman