

The complaint

V, a limited company, is represented by its director – who I'll refer to as a "Mr N". He complains that Santander UK Plc unfairly closed his business accounts.

What happened

Much of this complaint bears similarities with Mr N's complaint about his personal accounts that were closed under the same circumstances, so my summary and findings will also bear similarities with the decision I've issued on the linked case. I've also refrained from duplicating all my findings from the linked case.

Mr N complains about the service he received from Santander, following a letter the bank sent to him in December 2023, asking him to reach out and provide some information. Mr N complains that:

- The contact number Santander provided in its letter failed to connect when he called.
- When he did reach the bank via an alternative contact number, Santander failed to live up to call back agreements.
- Timescales offered by Santander were poor and it was difficult for him to meet deadlines, especially as he was abroad around the time.
- Santander asked unreasonable questions and placed onerous demands on him.

At the end of January, Santander decided to issue Mr N with two-months' notice of closure of his business accounts. The bank also issued a final response, addressing the service issues Mr N experienced – which I've commented on, alongside the above issues in my linked decision. In this response, Santander mentioned that some of Mr N's accounts wouldn't close until July and Mr N says this was also confirmed verbally by the bank. Santander has since pointed out that this was a typing error, but Mr N is unhappy that his accounts were closed in April instead.

During the notice period, Mr N provided the information Santander had requested. However, Santander says some of the documentation Mr N provided was incomplete. Santander tried to contact Mr N but was unsuccessful, so it proceeded to close his accounts in April. Mr N says this was unexpected, so it caused significant business disruption – his business was unable to operate for several months causing a loss of revenue. Mr N also points to the stress and anxiety caused to him as a result.

In referring his complaint to this service, Mr N wants Santander to reimburse him for his business losses and pay compensation. He adds that Santander took several months to return his funds to him following the closure of his accounts, so he wants the bank to reimburse his interest losses during this period.

Our investigator concluded that Santander had acted fairly but recommended that the bank pay Mr N's business £100 compensation because of the typing error in its final response - Santander agreed. Mr N doesn't agree and feels he should be paid significantly more for the time he spent dealing with this matter. So the complaint has been passed to me for a final review.

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 discourtesy is intended by this. We aim for our decisions to be as concise as possible.

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 Know Your Customer/Business 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.

As Mr N knows, Santander wasn't satisfied with all the documents he submitted. Specifically, the bank says he hadn't provided the signature page of his passport and the relevant tax document. Mr N disputes this and says he provided an alternative tax document as he couldn't download the specific document that Santander had asked for.

Based on the evidence I've seen, I'm satisfied that Santander's decision was fair and based on Mr N's submissions being incomplete. And I can see that Santander attempted to contact Mr N before moving forward with its closure decision. So I'm satisfied the bank acted reasonably here.

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. And I can understand that this would have caused inconvenience to Mr N's business. So I agree, Santander should pay Mr N's business £100 compensation for the inconvenience it caused because of its error.

I appreciate that this matter would have been personally distressing for Mr N. However, as the eligible complainant here is Mr N's company – V – it's not within my remit to consider the impact of Santander's actions on Mr N personally. Mr N's position as director provides that he's able to act on V's behalf. But as a legal entity, V cannot experience distress in the way Mr N describes. So I can't consider making an award for the distress Mr N experienced directly.

I empathise with Mr N, as he experienced his business going through unexpected disruption because of Santander's decision to close his accounts. However, I can only consider making an award for the losses his business experienced if I reach a finding that Santander's decision was unfair – as I've explained, I'm persuaded that the bank acted fairly in closing Mr N's business accounts. So I don't find there's fair cause to consider an award for the losses Mr N says his business experienced.

Mr N's funds were initially sent to him via cheque, which he says he chose to destroy for security reasons. He's unhappy that his funds weren't returned to him until several months later. However, it seems the delay was due to Mr N having to open an alternative account for the funds to be transferred in to. I haven't seen anything that leads me to conclude that Santander did something to delay the return of the funds either. So I'm not persuaded that the bank should reimburse Mr N for the interest he would have earned during this period.

Overall, I'm satisfied Santander acted fairly and reasonably when it closed Mr N's business accounts. I recognise that its typing error would have caused his business some inconvenience and I'm satisfied £100 compensation is a fair way to put this right.

My final decision

For the reasons explained, I'm upholding this complaint. If V accepts, Santander UK Plc should pay V £100 compensation.

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

Abdul Ali
Ombudsman