

The complaint

Mr H complains that Santander UK Plc treated him unfairly and unreasonably when it blocked his account while carrying out its Know Your Customer (KYC) checks.

What happened

Mr H's account was flagged for KYC compliance. Santander asked him to provide identification (ID) and proof of address. But after submitting his driving licence, Mr H's account was blocked because Santander couldn't accept the driving licence alone as proof of ID and proof of address and Mr H hadn't provided any other acceptable evidence to satisfy Santander's KYC requirements.

Here's a brief timeline:

1 June 2025 – Santander sent Mr H a letter requesting updated information and documents.

9 June 2025 – Second letter, text message, and email sent. Mr H contacted Santander and agreed to provide ID and proof of address via branch.

16 June 2025 – Mr H visited the branch and provided his driving licence and an insurance renewal letter. He was later told by phone that the information provided would be reviewed within 48 hours and he'd be contacted if further information was needed. On a further call that day, Santander said the insurance renewal letter wasn't acceptable and it still needed to see further evidence.

26 June 2025 – Santander relied on Mr H's driving licence for ID purposes but didn't have acceptable separate proof of address. During a call, Mr H said he wouldn't provide any further documents and lodged a complaint. Santander applied a block to the account.

Santander didn't agree it had done anything wrong and didn't uphold Mr H's complaint about what happened.

Account closure was discussed and Mr H asked for the password needed to be able to listen to call recordings he'd asked for. Santander subsequently offered him £25 by way of apology as Mr H had needed to chase for this information. It confirmed the closure arrangements, offered cheque payment for funds and explained how Mr H could have account blocks removed by visiting a branch.

When Mr H brought his complaint to us Santander agreed that it could've provided a better overall service to Mr H during calls and when Mr H provided his ID in branch. For this, Santander offered apologies to Mr H for any inconvenience and awarded him £100 compensation for any distress caused.

The investigator felt that although Santander had missed opportunities to make Mr H's journey through the KYC process smoother, its compensation offer was fair to put things right.

Mr H asked for an ombudsman to review his complaint. He said the investigator hadn't addressed his main complaint, which he put this way: '*...My bank account that I had open for 30 years was frozen without any notice & for no valid reason.*'
So his complaint came 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.

After completing my independent review, I agree with the investigator's conclusion. I'll explain why.

I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I understand Mr H found the process frustrating, particularly given his long relationship with Santander. But Santander has extensive legal and regulatory responsibilities it must meet when providing account services. This applies to all customers – including longstanding customers like Mr H. The terms of Mr H's account also permit Santander to review an account, request information and block an account while checks are completed.

Santander was entitled and obliged to carry out KYC checks to protect accounts from identity theft, fraud and financial crime. When Santander didn't receive the necessary information it required to allay those risks, I do not consider blocking Mr H's accounts was a disproportionate measure for Santander to take. He'd been made aware from the outset that this was something that Santander would do in these circumstances and by 16 June, he'd been told clearly that his driving licence alone couldn't be used for ID *and* address purposes. He was also told that the letter he wanted to provide wasn't on Santander's list of acceptable documents – which Mr H could've seen for himself on Santander's website (<https://www.santander.co.uk/personal/support/customer-support/customer-identification-documents>).

It's also clear to me from looking at all the evidence, which includes listening to the phone calls Mr H had with Santander, that Mr H said he wasn't going to provide Santander with the information it wanted. So I don't find that Santander acted unfairly or unreasonably when it blocked Mr H's account whilst its KYC checks were incomplete and Mr H had indicated he wasn't prepared to co-operate further with the KYC process.

But Santander has acknowledged that the service it provided to Mr H during the KYC process was below par. In particular, Santander said there were missed opportunities to make clear to Mr H exactly what documentation he needed to produce during the original call and when he was in branch. And I think, if Santander had done more to help Mr H understand its KYC requirements, this could've avoided at least some of the frustration and inconvenience he experienced and perhaps stopped things coming to a head when Mr H said his view was that the driving licence was sufficient for ID and proof of address purposes and he wasn't prepared to co-operate further.

Taking everything into account, I think Santander's offer to pay £100 compensation in total to Mr H is fair and reasonable in all the circumstances. I consider it fairly reflects the extent and impact on Mr H of the shortcomings in the service Santander provided (keeping in mind that Santander's KYC requirements were necessary and the account block wasn't unfair in these circumstances). It's in line with the amount this service would award in similar cases and matches the level of award I would make had it not already been proposed.

So I am satisfied that Santander should take the steps set out below to put things right.

Putting things right

To reflect the impact on Mr H of its admitted poor service, Santander should pay Mr H £100 for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint and direct Santander UK Plc to take the steps set out to put things right for Mr H as it has already offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 February 2026.

Susan Webb
Ombudsman