

The complaint

B complains Santander UK Plc caused it substantial losses and reputational damage when it blocked access to its account and stopped payments.

What happened

B has a business account with Santander.

On 20 June 2025 B sent Santander a form asking it to update the signatories on its account. B says its signatories weren't updated until 7 July 2025 because it had been asked to complete the wrong form.

B says it then had problems setting up online banking – because Santander said it didn't have a registered mobile number for any of the new signatories, only one of the old signatories – and that it was only able to make a handful of payments by exception.

B says Santander then blocked its account.

B complained about all of the issues it had, and the consequences. B says that Santander's actions had caused it quantifiable losses of over £100,000.

Santander looked into B's complaint and accepted that it had made mistakes in relation to the form that was ultimately used to update B's signatories. Santander didn't, however, accept that it had been responsible for the losses B claimed, saying it had followed its security processes and where possible had made exceptions. Santander offered £250 in compensation for the impact the mistakes it had made in relation to the form. B was extremely unhappy with Santander's response and so complained to our service.

One of our investigators looked into B's complaint but didn't recommend Santander needed to take any additional action. B asked for its complaint to be referred to an ombudsman for a decision. B's complaint was, as a result, passed to me.

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.

B has sent Santander and our service very detailed and lengthy submissions in relation to this complaint – submissions that it has shared with the FCA. I've considered those submissions carefully, but plan to deal with the crux of B's complaint. That's in part because we're a quick and informal service and in part because our investigator has already sent a detailed view, so in my opinion it's more helpful if I deal with the key factors here.

Having read all of B's submissions, it's clear (for reasons I don't need to go into) that B lost all of its directors pretty much in one go. That meant a completely new set of directors had to take over the running of B. That cannot have been easy – B is an active company with plenty of payments going out. The fact that B lost all of its directors unsurprisingly presented a number of challenges, one of which was that Santander didn't have an established registered mobile number for B. I'm satisfied that this meant payments to new payees became particularly challenging as an established registered mobile number is an important part of Santander's security processes. The fact that the director who it seems had most control over B's finances before stepping down not only deleted Santander's app from their phone but also didn't reply to requests for help further complicated matters in my opinion. As did attempts to get payments done through telephone banking. Unfortunately for B, these difficulties ultimately resulted in Santander blocking its account – reasonably so because the activity on B's account through no-one's fault ended up looking suspicious. I agree with our investigator that it wouldn't be fair to hold Santander liable for the impact this all had on B as it was following its processes and, where possible, making exceptions.

Putting things right

Given everything I've said, and whilst I can see B was heavily impacted during this period, I agree that it wouldn't be fair to hold Santander liable for the disruption to B's business after it lost all of its directors pretty much in one go. Because B hasn't accepted Santander's offer of compensation for the mistakes it admitted it made, I'm going to award that to B. That way B can decide – if it wants to – to accept Santander's offer in order to make it legally binding.

My final decision

Santander UK Plc has already made an offer to pay £250 to settle this complaint and I think this offer is fair in all the circumstances.

So my decision is that Santander UK Plc should pay B £250 in full and final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 23 March 2026.

Nicolas Atkinson
Ombudsman