

The complaint

Mr J complains Santander UK Plc blocked a payment he authorised and blocked access to his online banking, despite him explaining what the payment was for.

What happened

On 6 June 2025 Mr J made a payment of £1 from his Santander account to a friend. This initial payment was intended to make sure it was going to the right account. The payment went through and Mr J then attempted to transfer a further £229 in order to loan his friend £230 in total.

The second payment was flagged on Santander's system and Santander contacted Mr J asking him to get in touch to discuss the payment. Mr J's online banking access was also blocked at this point.

Mr J called Santander the same day, and Santander carried out what's known as a scam chat with him. This meant Santander asked Mr J various questions about the payment. Santander also explained why its system had flagged the payment and explained it fits many of the criteria of a romance scam.

Santander asked Mr J various questions such as had he been asked to lie to Santander about the payment, how did he meet his friend, how long had they been friends, what names did he know his friend by, how did his friend contact him about the payment, has his friend told him what the loan is for and does anyone in Mr J's family know about his friend.

Mr J answered most of Santander's questions. At the end of the call Santander said it had concerns about the payment based on the information provided so at this moment in time it wasn't happy to release the payment.

Santander said it understands this is a payment Mr J is happy to make and that he doesn't mind not getting the money back. But Santander wanted to give Mr J a bit of time to think about it and decide what he wants to do regarding the payment.

It was agreed that Santander would call Mr J the next morning between 9 and 10am and see what he wants to do from there.

Mr J agreed to this and said he would text his friend and tell her the bank won't release the funds and gauge his friend's reaction to that, as that would tell a story.

The next day Mr J didn't receive the arranged call from Santander in the morning, so he followed up that afternoon and called Santander. Santander apologised that he hadn't received the arranged call and advised it could either go through the process with him again or refer the matter to the previous person who had dealt with it to pick up and continue with.

It was agreed Santander would refer the matter to the previous person, so Mr J didn't have to go through all the questions again.

On 8 June 2025 the previous person at Santander that Mr J had spoken with called him back.

Santander asked Mr J if he still wanted to make the payment or if he wanted to leave it. Mr J said he had decided to leave the payment.

Santander then removed the block from Mr J's account. Santander explained that because Mr J had chosen to abandon the payment if he did try to make the payment again it would probably get picked up by the system and he'd have to have another conversation with Santander.

Mr J then raised his complaint with Santander. Mr J was unhappy with how he had been spoken to and with the questions he was asked. And he was unhappy that Santander had concerns about the payment and he felt Santander hadn't believed what he'd said about the payment and his friend.

Santander said it didn't disbelieve Mr J, instead it had concerns about the payment because it felt it matched certain criteria which fit with scams such as romance scams, and it had a duty to protect Mr J and his funds.

Mr J remained unhappy and asked for the complaint to be raised.

In its final response Santander explained the payment was stopped for additional checks in order to protect Mr J and his funds. Santander said it's sorry Mr J felt uncomfortable during the call, but it had to ask certain questions to ensure it had all the facts prior to making a decision.

Santander didn't uphold the complaint about stopping the payment and investigating it. But it did uphold for poor service because it failed to complete the agreed call back on 7 June 2025. Santander awarded £50 to address this service failing.

Mr J didn't accept this and referred his complaint to this service. Our investigator considered the complaint and didn't uphold it. He said he appreciates how Santander's questions could be considered intrusive, but ultimately, he didn't think Santander had done something wrong in stopping and investigating the payment given its obligations to protect its customers from scammers.

The investigator said he thought Santander had taken reasonable steps and were acting in Mr J's best interests. He also highlighted the terms of the account which allow Santander to prevent a payment where it has concerns about it being linked to a potential scam. The investigator concluded £50 was fair compensation for Santander failing to call Mr J back.

Mr J disagreed with the investigator's view. Mr J said he couldn't accept that Santander hadn't accepted his explanation for the payment. He said Santander had treated him as if he was lying to them about his relationship with his friend. He felt the manner of questioning was out of order and it was insulting that he wasn't believed. He questioned what risk Santander felt it was protecting him from. And he did not think £50 was reasonable for the level of distress and inconvenience he was caused.

Mr J said this has led to him letting down his friend and it looks like he'd failed to assist them. Mr J went on to say Santander shouldn't interfere with his right to use his money as he saw fit by preventing him making a payment he wanted to make.

As Mr J rejected the investigator's findings, his complaint has been passed to an ombudsman to make a final decision.

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.

As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances of the complaint as a whole.

Having done so, I've reached the same overall conclusion as the investigator. I know Mr J will be disappointed as I can see how strongly he feels about what happened, so I'll explain why.

I first want to acknowledge Mr J has provided commentary and brought up rules, rights and issues which he's related to his complaint. I'm grateful for all the information provided but as referenced above, I'm not going to directly comment on everything Mr J has said. Even though I've read and reviewed the full details I'm going to stick to the factors that I think are key in relation to this complaint.

In deciding what's fair and reasonable, I will take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I will take into account what I consider to have been good industry practice at the time.

The starting position in law is banks are expected to process payments and withdrawals a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

However, there are also obligations on banks to detect and prevent certain transactions, these obligations mean Santander should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams,
- have systems in place to look out for unusual transactions or other signs that might indicate its customers were at risk of a fraud or scam (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer,
- in some circumstances, irrespective of the payment method used, take additional steps, or make additional checks, before processing a payment, and in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud and scams.

This means there are circumstances where a bank can fairly and reasonably take additional steps and make additional checks, before processing a payment. Including in some cases declining to make a payment altogether, to help protect customers from the possibility of financial harm.

Banks must strike a difficult balance between how to detect unusual activity on an account yet also not interfere with the majority of normal transactions which are not fraudulent or related to scams.

In deciding what I think is fair and reasonable, I must consider the responsibilities on Santander. Santander has an important legal and regulatory duty to protect customers and is therefore entitled to ask questions about payments to comply with these duties. It can also block or restrict accounts to comply with these duties. And if Santander is aware of or

suspects a scam may be occurring, I think it's fair to say it would not be fulfilling its duties were it to knowingly allow a customer to fall victim to a scam.

I think it's worth noting our service regularly deals with complaints from customers who do not think their bank protected them sufficiently when they sadly became victims to scams.

In these complaints, our service will often find in favour of bank's customers and can sometimes hold businesses liable for funds that are lost due to scams. So, Mr J may have had a statutory recourse against Santander had it not intervened and had it turned out Mr J had lost money to a scam.

So, I've considered all the circumstances of this complaint to see whether I think Santander acted fairly and reasonably when deciding to block the transaction, to ask further questions, and then to maintain the block until it could speak with Mr J again - after giving him time to think about whether he wanted to proceed with the payment.

I'll begin by confirming, based on the information available to Santander, I can understand why it originally stopped the payment. Having considered the various factors involved, which are well known to both parties, so I won't repeat them here, I think it was reasonable for Santander to stop the payment in order to carry out further checks. And I'm satisfied it wasn't unreasonable for Santander to consider that the payment met many of the fraud and scam trends it was seeing.

I wish to be clear, I do appreciate Mr J's position, which I find completely understandable and legitimate, that this was his money and he could do what he wanted with it and it's his right to make this payment with his own money. And Mr J had explained to Santander more than once that he didn't mind if he didn't get the funds back from his friend and he wouldn't be coming to Santander to seek to recover it.

That being said, as detailed above, I also think Santander has a duty to protect its customers when it has concerns about a payment. And where a payment has features that suggest it may be connected to a scam, the terms and conditions of the account, specifically Section C, part five, entitle Santander to stop that payment "*to protect against or reduce the risk of scams*". And I'm satisfied Santander appropriately applied the terms and its duty in this case.

I've listened to the calls between Santander and Mr J. Having done so I don't think Santander spoke to Mr J in an inappropriate or condescending manner. Though I do appreciate how Mr J must have felt when hearing and answering the questions. And though I accept the questions Santander asked were at times personal, I also think they were relevant and pertinent in order to understand as much as Santander could about the payment. And about Mr J's relationship with his friend, particularly given the circumstances involved matched with other romance scams Santander had seen.

Mr J has said his account was only unblocked when he agreed he wouldn't make that payment again. And he said Santander told him if he attempted the payment again it would be stopped. I understand Mr J's position on this; however, I think it might be helpful to explain that my interpretation of what was discussed on the call this relates to is somewhat different.

On 8 June 2025 Santander asked Mr J if he wanted to proceed with the payment, and Mr J said he had decided not to proceed with the payment.

I think it's reasonable to consider this essentially meant the investigation of the payment was over and so the account should at that point be unblocked.

I think it's fair to say Mr J could have told Santander he wished to proceed with the payment. And at that point I'd expect Santander to complete any further questioning it had yet to do, and most likely provide a final warning about Santander not being liable if turned out to be a scam, and then on the balance of probabilities, Santander would have most likely allowed the payment to go through. And at the same time unblocked the account.

I say this because Santander had given Mr J time to think about whether he wanted to go through with the payment. And in the first call Santander discussed how it understands Mr J is happy to make the payment, so his answer the next day will probably be the same, and most likely he'll decide to proceed with the payment, but it still wanted to give him some time to think about what he wants to do. Essentially before making a final decision about the payment. This sounds to me like Santander was saying Mr J could still choose to proceed with the payment after taking time to think about it.

So, I do think on the balance of probabilities, when Mr J spoke with Santander again, if he had said he wants to proceed with the payment, it would likely have been authorised and released. Because at that point Santander would have already introduced a reasonable level of friction to enable Mr J a little extra time to consider his options. And if Mr J had still chosen to proceed, I think the right thing to do would likely have been to follow his instructions.

Instead, what happened was, after Santander asked Mr J to take some time to consider if he still wanted to make the payment, two days later, Mr J told Santander he had decided not to make the payment. So, I don't think the account was only unblocked on the basis that Mr J decided not to make the payment. Moreso, the investigation and further checks were completed on that basis.

I note Santander did also say if the payment was attempted again, it would probably be flagged again. But I don't think there's something substantially wrong with that. Mr J had told Santander he no longer intended to make the payment to his friend's account. So, if he later tried to make that payment again, I could understand why Santander may flag it again to ask further questions and check Mr J was sure he wanted to make the payment on this new occasion.

Having considered Santander's obligations, alongside the available evidence and the terms and conditions for the account, I'm satisfied it wasn't unreasonable of Santander to have blocked Mr J's account and asked further questions about the payment.

I think it was done with the intentions of protecting Mr J and his funds – and though I appreciate Mr J didn't seek that level of protection in relation to this specific payment, I don't think that absolves Santander of its responsibilities. And I must also note Mr J ultimately decided not to proceed with the payment. Though I appreciate Mr J's decision there may have been for a multitude of reasons.

I understand Mr J may disagree with my decision, but I trust I've explained in sufficient detail why I don't think Santander has done something wrong here. I think, fundamentally, Santander were seeking to protect Mr J from potentially being the victim of a scam as our service would expect.

Having considered the error Santander made in not calling Mr J back when it agreed to, I think the £50 compensation it paid is fair. I think it will have been frustrating and disappointing for Mr J not to receive the call when it was agreed and expected. And it will have been inconvenient for Mr J to instead have to call Santander back and wait in a queue to get through to someone.

Overall, I'm satisfied £50 is reasonable compensation to address this failing and is in line

with what our service would award in the circumstances.

My final decision

For the reasons I've given, my final decision is I do not uphold this complaint.

I make no further award against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 19 March 2026.

Gordon Candlish
Ombudsman