

The complaint

T, a company, complains Santander UK Plc unfairly blocked and closed its account, causing it losses.

What happened

I repeat much of the background facts referred to in my provisional decision for the purposes of issuing this final decision.

Mr S is the director of T and brings this complaint on its behalf.

In early December 2024 Santander blocked T's account to carry out a review. The account was blocked until 13 December 2024 during which time Mr S and his wife – the company secretary – had several conversations with Santander and various pieces of information were provided. During this time Mr S opened an account elsewhere for T so important payments could be made.

Later, Santander decided to give notice to close T's account. They said they were closing the account because Mr S needed to live in the UK. They sent the closure of notice to T's trading address on 27 December 2024, which is the same address T used when bringing this complaint to our service.

Mr S says he received a letter from Santander on 6 January 2025 which gave him until 3 March 2025 before T's account would close.

Mr S complained to Santander. He feels it wasn't necessary to block the account and that he previously provided evidence to Santander that he resides in the UK, Germany and another country.

Santander sent two final response letters. In the first letter they paid T £100 for not informing Mr S that he needed to live in the UK. But they maintained that the decision to close would remain. In their second letter they repeated the account would close on the 3 March 2025.

Unhappy with their responses Mr S brought T's complaint to our service.

Since the complaint was brought to us Santander said they informed Mr S that T's account was closing due to where he lives in their letter dated 27 December 2024, so they don't find they made an error.

I issued a provisional decision upholding T's complaint in part. I found:

“Banks have important legal and regulatory obligations to carry out when providing accounts. Broadly speaking they will monitor customer activity and carry out event driven or periodic reviews to these ends. It's also common for them to block accounts during a review to mitigate against the risk of breaching their responsibilities, which is what happened here.

Mr S feels Santander's decision to prevent T making payments was disproportionate. And I've no doubt this must have been very frustrating and concerning to him. But I've considered

Santander's basis for blocking the account, and I'm satisfied it was reasonable. Mr S may want to know what that reason was, but I find it is of a commercially sensitive nature, and I don't require them to disclose it.

Santander should still carry out their review reasonably and not cause unnecessary delays, given restricting an account carries with it the prospect of causing loss. I've reviewed the calls Mr S had with Santander between the time it was blocked and then unblocked in December 2024. And I find that there was a delay caused by Santander.

On a call Mr S had with Santander on the evening of 9 December 2024, he queried whether his wife needed to submit a copy of her passport. Santander's advisor confirmed nothing was needed from his wife, which looks to have been incorrect. The account remained blocked. But on a call Mr S had with them on the morning of 12 December 2024 it was confirmed they still needed missing information from his wife.

I'm satisfied had Mr S been told on the 9 December 2024 that information was needed from his wife I think it would have been provided promptly and the account would have likely been unblocked on 10 December, allowing time for the information to have been reviewed.

I haven't however found fault with Santander asking Mr S about any connection he held to the Ivory Coast. Santander explained they held information from an electronic form Mr S completed in 2023. On that form, which I have reviewed, Ivory Coast had been selected for his country of birth, country of fiscal residence, and country of residence. Santander needed to question Mr S' connection to the Ivory Coast as they consider it a higher risk country, and after speaking to him they believe this simply to have been an error.

Santander decided to close T's account because they believe Mr S lives in Germany. It is for Santander to decide their commercial appetite and parameters, and I don't find their criteria falls outside their legitimate commercial discretion.

Mr S says he lives in three different countries. However Santander's system records indicate he told them he primarily lives in Germany during one of their calls, which is what our investigator also stated in their view. Indeed, Mr S wanted to change an address to a German one for efficiency purposes, which potentially supports his greater presence in Germany.

I can see the key facts document for the account does require a director to live in the UK. And, while this doesn't state whether a director can live elsewhere also, ultimately it is for Santander to decide whether Mr S living mainly in Germany falls outside their criteria for the account, and they have clearly decided it does.

Mr S said his situation has remained the same since the account opening, but it was the change in address request which led to Santander reviewing where Mr S lives, and I haven't found it was unfair for Santander to review T's position as a result.

On balance I'm satisfied Santander acted within their commercial discretion when deciding they no longer wanted to provide T with an account, and I don't require them to pay T compensation for offboarding it as a customer. I'm also satisfied T was given sufficient notice under the terms and conditions of the account that it would close – a letter was sent to T's correspondence address at the end of December 2024 and M's account closed on 3 March 2025.

Mr S has referred to two court case citations to support his position. Unfortunately I have found no actual records which establish these as cases, including on the legal database he referred to in an email to our service. But, regardless, I'm satisfied Santander did give adequate notice T's account would close, and that they provided their reason for closing it.

Putting things right

I find Santander should compensate T £200 for the inconvenience it was caused by not having access to the account to make payments between 10 December 2024 to when it was unblocked on 13 December 2024. It was evident Mr S was trying to make important payments on T's behalf, and time would have had to be spent informing host families about why payments hadn't been made on time, and this would have likely caused T's host families concern about T.

I'm not awarding a sum for any personal distress or upset caused to Mr S or his wife, as the eligible complainant is T, a limited company. I can only consider losses it has experienced and not natural persons, such as Mr S, acting for it. I've seen no evidence which I find warrants an increased sum. While I appreciate another account was opened for T elsewhere as a result of what happened, I'm satisfied this would have had to have happened anyway because I haven't found Santander's decision to offboard T as a customer was unfair."

Santander accepted my provisional decision, but T responded wanting a larger compensatory sum and making a number of points.

I've now gone on to make my 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.

I've decided to uphold T's complaint in part for the same reasons I gave in my provisional decision. Those findings are copied above and now form part of my findings for my final decision. I will focus on addressing the points T raised in response to my provisional decision.

Mr S on behalf of T says Santander's errors extended beyond a one-off operational error on 9 December 2024, and there was a broader pattern of mismanagement which resulted in further disruption to T, impacting its day-to-day operations and reputation, including a later block on the account.

There was a payment blocked for a scam check on 14 December 2024 and a further block on T's account in January 2025, although I can't see Mr S previously raised this matter with our service. However, I haven't seen Santander's further actions were out of line with their legal and regulatory responsibilities. And, from reviewing account activity there wasn't substantive transactional activity on the account after December 2025 – with the brunt of T's balance having been transferred to an account it holds elsewhere at the beginning of

January 2025. I'm not persuaded the evidence shows a further demonstrable impact on T's business operations during the notice period.

T quickly opened another account during the period Santander first blocked the account. On a phone call he had with Santander on 14 December 2024, he informed them he had opened up an account the day before due to the difficulties he was having making payments.

I realise this was at an important time for T, but T would have always had to find a new account with a consequent impact on its operations – it just so happens Mr S' decision to open another account for T took place before Santander decided to close the account. I appreciate Mr S felt he had to open another account to make important payments as an emergency, but I remain satisfied that £200 is fair compensation and I haven't seen further evidence that persuasively demonstrates a larger sum is warranted.

Mr S denies stating he lived in the Ivory Coast. I have not concluded he intentionally did communicate this. But Santander has provided evidence to show Ivory Coast was selected on an electronic form he completed in 2023. They have concluded this was likely an unintentional mistake of which Mr S was previously unaware, and so have I. I'm not awarding compensation on this point

Mr S says he maintains residences in several countries and at one point he says he spent a significant amount of time in another country other than Germany and the UK. But I do not find this alters the fact that at the time of their decision to close the account Santander concluded he mainly resides in Germany and this fell outside their commercial appetite. I don't find they have treated T unreasonably in terms of the notice they gave or subsequent actions.

Putting things right

Subject to T accepting my final decision by the deadline below, Santander UK Plc should pay T £200 compensation.

My final decision

My final decision is I uphold T's complaint in part, and I require Santander UK Plc to pay compensation according to what I have said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 6 February 2026.

Liam King
Ombudsman